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Wednesday
2nd July, 1952

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

(Part I - Questions and Answers)

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Members Sworn [Cols. 2—18].

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Wednesday, 2nd July, 1952

The House met at a Quarter Past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

Short Notice Question and Answer

STRIKE BY POSTAL EMPLOYEES IN 1946

Shri K. Subrahmanyam: (a) Will the Minister of Communications be pleased to elucidate the Prime Minister's statement of the 25th June, 1952 on the demand of postal employees for payment of wages during strike period in 1946 and the assurances said to have been given by the then Minister in charge of Communications to Mr. Jai Prakash Narain, President of the Postal Employees Union?

(b) Is the reluctance of Government to pay wages for strike period based on principle or is it due to reasons of financial stringency?

(c) What would have been the amount involved if the demand had been conceded?

The Minister of Communications (Shri Jagjivan Ram): (a) to (c). With your permission, Sir, I would like to answer these questions by means of a statement in elucidation of what the Prime Minister stated on the 25th June, 1952, in regard to the demand of the All India Postmen and Lower Grade Staff Union for wages for the strike period in 1946. Shri Jai Prakash Narain, President of that Union, has undertaken a 21 day fast which, according to the statement issued by him is in fulfilment of a vow which originated from certain unsuccessful negotiations he had carried on with Shri Rafi Ahmed Kidwai, the then Communications Minister.

2. The Prime Minister has expressed our grief on the step taken by Shri Jai Prakash Narain.

3. This question relates to a strike which took place as long as six years ago, in the middle of 1946, when the Government in office was what was called the "Caretaker Government". On the 11th July, 1946, the Postmen and Lower Grade Staff in the Posts and Telegraphs Department went on a strike and certain other categories of staff joined them. Some of the demands of the Postmen and Lower Grade Staff Union were completely or partially met, the rest being rejected. After the termination of the strike, the question of payment of wages for the period of the strike was raised. Invariably, in such cases not only are the wages for the strike period not paid, but the period of absence from duty does not count for leave or pension. In this particular instance, owing to an ambiguous statement made by the then Member of Government in charge of Communications, Sir Eric Conran Smith, it was ordered, as a special case, in December, 1947 by Shri Rafi Ahmed Kidwai, the then Communications Minister that the period shall count for leave and pension. This in itself was a great concession. It was made clear that this would not be treated as a precedent.

4. There were several attempts made by the Postmen and Lower Grade Staff Union to obtain pay for the strike period. Government were, and are, in principle, opposed to payment of wages for the period of any strike. The demand was, therefore, turned down. There was no question of financial stringency. The amount involved was about 10 lakhs.

5. Shri Jai Prakash Narain has had several discussions and exchanged letters with Shri Rafi Ahmed Kidwai and also with the Prime Minister on this subject. While Shri Rafi Ahmed Kidwai consistently and categorically refused to entertain any proposal for payment of the strike pay, he was prepared to consider any suitable formula,

short of payment of the strike pay, that was presented to him. Somehow, Shri Jai Prakash Narain formed the impression that Shri Rafi Ahmed Kidwai had promised to allow payment of the salary for the period of the strike or to compensate the strikers in some other form.

6. Shri Rafi Ahmed Kidwai avers that he did not make any such commitment. I have looked into the official records. There is nothing in them which shows that any commitment was made. Here I may quote from the reply given by him on the floor of the House on the 7th February, 1950, to Starred Question No. 136 asked by Shri R. L. Malaviya, Shri Rafi Ahmed Kidwai said:

> "......No promise was made about the payment of wages for the strike period in 1946 and there is no question of implementing this 'promise'. In regard to the demand of wages for the strike period in 1946, Government have always held that no such payment can be made. They were prepared to consider any solution short of payment of salary for the period of strike and they are always prepared to consider any practicable formula."

7. Indeed, in a letter dated the 24th September, 1949, to Shri Rafi Ahmed Kidwai, Shri Jai Prakash Narain in referring to his talks on the subject recounted:

> "One of the most important demands of the men was that they should be paid the wages for the strike period of 1946. If you remember, you had told me that you might be able to do something in that matter after 3 months or so. You had said that in a similar situation, when the employees of the Irrigation Department in the U.P. had gone on strike, you had arranged for payment for the strike period in the shape of payment against extraordinary leave."

Then, again, in a letter dated the 4th January, 1950, to the Prime Minister, Shri Jai Prakash Narain wrote in these words:

> "Rafi Sahib had given me an assurance that after 3 months he would do what was possible to settle the demand for payment for the period of strike of 1946. He had further told me that he would have a formula worked out to make this payment not in the shape of payment for a strike period but as payment against leave due or special leave."

This was replied to by Shri Rafi Ahmed Kidwai in his letter dated the 29th January, 1950, wherein he reiterated his views as follows:—

> "I had made it clear again and again that we can never agree to make payments for the strike-periods. In February last year in the course of our discussions I was reminded of a certain strike wherein it was agreed that if any striker had his earned leave due, the strike period would be converted into a period of absence on leave. I then gave an assurance that after three months I would try, if possible, to evolve some such formula. When I looked into this matter, I found that any such solution is not practicable. More than two years had elapsed since the strike and if any one had at the time of strike his earned leave due, in most of the cases he must have availed himself of it. For these reasons I have not been able to evolve any formula that can be practicable. I am always prepared to consider any suggestion. But I would not accept a suggestion that would create difficulties later." "To allow the strike-period to be treated as earned leave is simply converting one form of punishment into another, i.e. forfeiting the earned leave instead of forfeiting the pay. But that cannot be so if we pay for the strike period and refuse them leave that may fall due. I have explained the reasons for my inability to evolve a formula. If you can suggest a way out, I am always prepared to consider it. I am surprised you call this as a definite understanding or undertaking on my part for payment for the strike period of 1946. You yourself in your letter say that I had given 'an assurance that after three months I would do what was possible.' This shows that it was a mere promise to consider a possible way out. It cannot be treated as more than that. That assurance is still there. We have simply to find out a practicable solution."

8. In view of the refutations made by Shri Rafi Ahmed Kidwai on the floor of the House and in his letter, there was no room for ambiguity in regard to the stand taken by him. Shri Jai Prakash Narain somehow feels that Shri Rafi Ahmed Kidwai has not kept his word. All I would say is that it would seem to be a case of genuine misunderstanding which, however, was subsequently cleared up both by Shri Kidwai and the Prime Minister. In so far as Shri Kidwai gave an assurance of his willingness to explore every avenue of finding a practicable solution, Government still stand by that assurance.

9. From the press reports, it appears that the All-India Postmen and Lower Grade Staff Union is contemplating to serve on the 15th July, 1952, a notice of strike which will be effective from the 5th August, 1952. We have so far received no official confirmation of it. In the statement issued by Shri Jai Prakash Narain on the eve of his fast, he has stated—

> "The fast being an entirely personal affair, I do not want any publicity, agitation or any sympathetic public manifestation in connection with it. The postmen, particularly, should not feel that they have any responsibility in the matter, and should not indulge in any agitation on my account."

Under the circumstances, the strike would be most ill-conceived. Government hope that wiser counsels would prevail and that the Postmen and Lower Grade Staff will refrain from taking a step which will cause serious inconvenience to the public and would invite their condemnation.

10. The House will not expect me to deal with the alleged grievances of the Union which have appeared in the press. Government recognise the important nature of the services which the Postmen and Lower Grade staff perform to the community and are prepared to redress all their legitimate grievances which are brought to their notice in a proper and constitutional manner.

Shri K. Subrahmanyam: According to the Resolution passed by the Executive Council of the All-India Postal and Lower Grade Staff Union, the said assurance was given neither by the Prime Minister nor by his Cabinet, but by the then Minister in charge of Communications to Mr. Jai Prakash Narain, President of the Union, in the presence of ten Members of the Union.

Mr. Speaker: Is he making a counter-statement? He can ask for information, but not make a counter-statement.

Shri K. Subrahmanyam: I want to know whether he is in the know of it, and what his reaction is, Sir.

Mr. Speaker: In the know of what?

Shri K. Subrahmanyam: The resolution passed by the Executive Council of the Postal Employees' Union. I have to place this before him.

Shri Jagjivan Ram: I have already said in the statement that we have seen that in the Press, but that we have received no information officially, about the strike.

Shri K. Subrahmanyam: This is a meeting that took place on 19th October, 1949. The discussion was between Mr. Jai Prakash Narain and ten Members of the Executive Council on the one side and Mr. Rafi Ahmed Kidwai on the other. What is the reaction of Government to that?

Shri Jagjivan Ram: I have made it quite clear, Sir, that there was no commitment on the part of Mr. Kidwai.

The Minister of Food and Agriculture (Shri Kidwai): I want to say a few words about this. There has been a persistent demand on behalf of the Postmen who went on strike in 1946, that the strike period pay should be paid to them. The Government's answer on that occasion categorically stated that there could be no question of paying for the strike period. On the day referred to in Mr. Jai Prakash Narain's letter, a discussion was going on. I was reminded that on a previous occasion in another place when I had to deal with a strike, I had agreed that those who had earned leave due, instead of punishing them by deducting the pay for the strike period, that earned leave may be forfeited; and so it happened that those who had earned leave due, their leave was forfeitedand others lost the pay for the strike period. I agreed to examine the possibilities of the proposal and tried to find out what proportion of affected men will benefit by it. I consulted my advisers, and they said that the form of punishment could be changed. It took three months to collect the information from all the States as to how the situation stood. I found that very few of them had earned leave due on the date when they went on strike. A proposition was made by the Union people and by Mr. Jai Prakash Narain that it might be deducted from the leave that would fall due in future. To that I didn't agree. Mr. Jai Prakash Narain in one letter said I had promised that I might find a solution. That itself shows that there was no definite promise that was made and that an attempt would be made to find a solution.

Shri K. Subrahmanyam: Will the Government be prepared to appoint a non-official committee, a committee of Members of this House to go into this assurance said to have been given by the then Minister in charge of Communications to the Members of the Union?

Mr. Speaker: His question is inadmissible, because he is making a suggestion, but I am allowing it.

The Prime Minister (Shri Jawaharlal Nehru): I don't understand how this arises at all. If it is a charge that Government is breaking its word, Government will not accept it in the slightest, and talk to anybody on the ground that they have been false about it. So far as we are concerned, it is a question of honour. If it is a moral question to them, it is a moral question to the Government, and to me personally as Prime Minister. I have been in these negotiations at every stage, and I say it is completely wrong. There may be misunderstanding, of course, but it is completely wrong to say that at any time there was an assurance that this would be done. The assurance was that every avenue would be explored. It may be that the people may be mistaken about it. What is a Committee of this House or a Judge, or a Court set up about it ,going to do? We are prepared even now to consider the matter *de novo*. We know what was said. It must be accepted. If they challenge our *bona fides*, there is an end of it. We cannot talk to each other if people consider each other liars in this connection. It is amazing that during the last three years this has been said repeatedly. My hon. colleague has quoted some letters. I have written some three, four or five long letters myself. This is a six or seven year old matter. I must state with a feeling of extreme distress that these matters should arise in our public life. I do not understand it. This is not the kind of public life I am used to.

Shri Velayudhan: Apart from the promise or breaking it, I want to ask whether Government is aware of the reasons for the strike other than the breaking of the pledge?

Shri Jagjivan Ram: As I have said we have seen nothing more than what has appeared in the press, and my friend can see that there are a number of other demands lumped together with this main demand.

Shri Velayudhan: May I know, Sir...

Mr. Speaker: I do not think we need proceed further with the matter.

WRITTEN ANSWERS TO QUESTIONS

ORDNANCE STORES

***1387. Sardar Hukam Singh:** Will the Minister of **Defence** be pleased to refer to the reply to starred question No. 288 asked on the 3rd March, 1952 and state:

(a) whether any packages are still lying unopened in Ordnance Depots at various centres; and

(b) if so, when it is expected to complete their opening and re-packing?

The Minister of Defence (Shri Gopalaswami): (a) Yes.

(b) It is expected to complete their opening and re-packing by the 31st October 1953.

INCOME-TAX APPELLATE TRIBUNAL

***1388. Sardar Hukam Singh:** Will the Minister of **Law** be pleased to state:

(a) the number of Benches of the Income Tax Appellate Tribunal functioning on the 31st March, 1952;

(b) the total number of cases pending before them on that date; and

(c) the number of cases decided by them during the year 1951-52?

The Minister of Law and Minority Affairs (Shri Biswas): (a) Eight. Two at Bombay, two at Madras and 1 each at Calcutta, Delhi, Allahabad and Patna.

(b) Bombay Benches . .	3,285
Madras Benches .	1,630
Calcutta Bench . . .	2,264
Delhi Bench . . .	1,634
Allahabad Bench . .	725
Patna Bench . .	811
TOTAL .	10,349

(c) 10,074.

ALLOWANCES OF M. Ps.

***1389. Shri S. N. Das:** Will the Minister of **Law** be pleased to state:

(a) whether the question of introducing a Bill which will determine the salaries and allowances which Members of either House of Parliament shall be entitled to receive in the present session of Parliament has been considered by Government; and

(b) if so, what decision has been taken in the matter?

The Minister of Law and Minority Affairs (Shri Biswas): (a) and (b) Government have the matter under consideration, and they are awaiting the recommendations of the Joint Committee of Parliament appointed by the Speaker on the 6th June, 1952 to examine the question of salaries and/or allowances to be paid to the Members of Parliament.

GENERAL ELECTIONS

***1390. Shri S. N. Das:** Will the Minister of **Law** be pleased to state:

(a) which constituency of the House of the People recorded the highest percentage of voting in the last General Elections indicating the first three constituencies in order; and

(b) which were the first three constituencies for the election to the House of the People where the successful candidates secured the highest percentage of votes polled?

The Minister of Law and Minority Affairs (Shri Biswas): (a) The three constituencies in which the highest percentage of voters exercised their votes are:—

(i) Kottayam (Travancore-Cochin), 80:5 per cent.

(ii) Alleppey (Travancore-Cochin), 78·1 per cent.

(iii) Gudivada (Madras), 77;9 per cent.

(b) The three constituencies in which the successful candidates secured the highest percentage of votes polled are:—

(i) Baster (Madhya Pradesh), 83 per cent.

(ii) Vikarabad (Hyderabad), 77:9 per cent.

(iii) Ghaibassa (Bihar), 76:99 per cent.

DOUBLE INCOME-TAX RELIEF

***1391. Dr. Ram Subhag Singh:** Will the Minister of **Finance** be pleased to refer to the reply to Starred Question No. 1541 asked on the 10th April, 1950 and state:

(a) whether negotiations are still proceeding between India and the United Kingdom on double income-tax relief; and

(b) whether the Government of India have given any unilateral relief to those U.K. citizens who are residents in India:

The Minister of State for Finance (Shri Tyagi): (a) Yes, Sir.

(b) No such relief has been given, but recovery of tax levied on a person resident in India in respect of income accruing or arising outside India and charged to tax both in India and in the United Kingdom has been kept in abeyance until conclusion of a bilateral agreement for avoidance of double taxation. Further, clause 25 of the Indian Income-tax (Amendment) Bill, 1952 which is now before this House seeks to give to the Central Government power to make the unilateral relief provisions contemplated in that clause applicable, if need be, to incomes accruing or arising in the United Kingdom and charged to Indian tax for the assessment year 1949-50, 1950-51 or 1951-52.

COMMISSIONS AND COMMITTEES

***1392. Shri M. L. Dwivedi:** Will the Minister of **Finance** be pleased to refer to the reply given to Starred Question No. 1964 dated the 7th March, 1951 by Sri T. R. Deogirikar and state:

(a) whether the over-drawal of allowances by the M.Ps. concerned has since been regularised;

(b) the number of M.Ps. so affected;

(c) whether the Accounts and Audit Departments did not detect these over-drawals;

(d) if not, who is responsible for omission: and

(e) whether instructions have now been issued to prevent recurrence of such instances?

The Minister of State for Finance (Shri Tyagi): (a) Yes.

(b) Six.

(c) It was not possible for the Audit authorities to detect the double payment in these cases, because (i) the Members of Parliament had certified on their travelling and daily allowance bills for attending the Sessions of Parliament that they had not drawn such allowances in respect of the same period and journey from any other official source, and the Audit authorities relied on the accuracy of this Certificate and (ii) the allowances were in respect of meetings of Committees set up by the various Ministries and Departments of the Government of India, which are under the audit control of different Accounts Officers.

(d) The persons who drew the allowances twice were responsible for the error.

(e) Instructions have been issued with a view to avoiding such irregularities.

GENERAL ELECTIONS

***1393. Shri B. Shiva Rao:** Will the Minister of **Law** be pleased to state:

(a) whether a report on the recent General Elections in India is being prepared by the Election Commission;

(b) when such a report is likely to be completed; and

(c) whether a copy of the report will be placed on the Table of the House?

The Minister of Law and Minority Affairs (Shri Biswas): (a) The Election Commission propose to prepare a report on the General Elections, and they have with this object in view asked the Chief Electoral Officers of the various States to collect statistical and other material and furnish reports.

(b) It is difficult to state at this stage when the report will be ready.

(c) This matter will be considered after the Election Commission has submitted the report.

WAR COMPENSATION FOR MANIPUR

***1394. Shri L. J. Singh:** (a) Will the Minister of **Defence** be pleased to state what is the total amount sanctioned upto date by Government for paying war compensation for Manipur?

(b) How many claims have been paid off in Manipur till now and how many are yet outstanding?

(c) Whether it is a fact that 50 per cent. reduction has been effected in the matter of payment of war compensation claims in Manipur in the case of 2,000 out of fourteen thousand claims and if so, how?

The Minister of Defence (Shri Gopalaswami): (a) A total sum of Rupees 2,18,44,330 has been paid as war compensation. In addition, in the areas known as Assam Relief Measures Areas (which also include parts of the Naga Hills District) a sum of over Rupees two crores has been paid by way of relief.

(b) No. of claims paid 16,545;

No. of claims outstanding 3,800.

(c) No. The correct position is that in about 2,000 claims which were subjected to preaudit it was found that lesser amounts were due than those originally passed. Each case was considered on its merits.

ASSAM RELIEF MEASURE

***1395. Shri Rishang Keishing:** (a) Will the Minister of **Defence** be pleased to state how much money has been distributed to the war-affected people of Manipur hills and other areas familiarly known as "Assam Relief Measure Area"?

(b) Is it the policy of Government to give only relief and no compensation to the people of Assam Relief Measure Area?

The Minister of Defence (Shri Gopalaswami): (a) About Rs. 2·3 crores have been paid in Assam Relief Measures Area of Manipur and Naga Hills District. Separate figures for the Manipur areas are not available.

(b) The Assam Relief Measures not only amounted to relief but made good damage caused in the area.

COAL IN ASSAM

***1396. Shri Beli Ram Das:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether it is a fact that large quantities of coal of high quality is available in the district of Garo Hills within the State of Assam; and

(b) what steps have so far been taken to mine this coal?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Yes, Sir. Coal deposits are known to exist in Siju and Darrangiri areas in the Garo Hills.

(b) The State Government report that two mining leases for working coal and other minerals in certain areas of the Garo Hills have been granted to two Indian Companies namely the Associated Cement Companies Ltd. and the Assam Mining Corporation Ltd.

OIL IN NAGA HILLS

***1397. Shri Beli Ram Das:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether it is a fact that oil deposits have been found out in the Naga Hills district within the State of Assam;

(b) what steps have been taken to operate these deposits; and

(c) whether it is a fact that there are several oil deposits in several other districts of Assam?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (c). Oil has been found in the tertiary rocks of Assam which occur in the Patkoi and Naga Hills in Upper Assam and Eastern Assam. The occurrence of oil here has been known for the last 70 to 80 years.

(b) Several areas in this region have been given on prospecting licence or mining lease to the Assam Oil Company which have been conducting considerable prospecting and drilling operations for many years. There are some productive wells near Digboi and an oil refinery at that place.

MINERALS IN ASSAM

*1398. **Shri Beli Ram Das:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether any attempt was made to find out minerals like gold, iron, monazites, etc. in the State of Assam;

(b) if so, with what results; and

(c) how much money was spent in surveying the areas?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) The Director, Geological Survey of India, reports that no attempt has been made in recent years to investigate the occurrences of gold, iron, monazite, etc. in the State of Assam.

(b) and (c). Do not arise.

EXPORT DUTY ON JUTE

*1399. **Shri A. C. Guha:** Will the Minister of **Finance** be pleased to state:

(a) the total revenue collected as export duty on jute and jute goods during the years 1947 to 1951 both years inclusive;

(b) the share given to West Bengal during these years; and

(c) the basis on which Bengal's share was calculated before 1946 and the basis on which it is being calculated now?

The Minister of Finance (Shri C. D. Deshmukh): (a) The total net revenue collected as export duty on jute and jute goods was:

1947-48 (Post-partition)...Rs. 6·41 crores;

1948-49...Rs. 7·15 crores;

1949-50...Rs. 9·68 crores;

and in 1950-51 and 1951-52, whe the duty ceased to be shareable with States, the gross collections were roughly Rs. 26·12 crores and Rs. 59·33 crores respectively.

(b) The share given to West Bengal was:

1947-48 (Post-partition)...Rs. 56·22 lakhs;

1948-49...Rs. 64·89 lakhs;

1949-50...Rs. 82·44 lakhs;

and in subsequent years the duty was not shareable with West Bengal or any other State Government.

(c) Before partition 62½ per cent. of the annual net proceeds of export duty on jute or jute products was shareable with the jute growing States, including Bengal, in proportion to the average production of raw jute in the five preceding calendar years in each State. Thereafter and upto the commencement of the present Constitution in 1950-51, the shareable amount of the net proceeds was taken at 20 per cent. From 1950-51, the export duty on jute or jute products ceased to be shareable with West Bengal or any other State Government but annual grants-in-aid in lieu of share of export duty on jute are paid to the States of West Bengal, Assam, Bihar and Orissa under Article 273 of the Constitution. The amount of grants-in-aid thus paid to West Bengal during each of the years 1950-51 and 1951-52 was Rs. 105 lakhs and the amount payable during 1952-53 has been provisionally taken at the same figure subject to revision on the basis of the final recommendation of the Finance Commission.

CENTRALISED AGENCY

*1400. **Ch. Raghubir Singh:** Will the Minister of **Law** be pleased to state:

(a) whether it is a fact that a centralised agency has been set up to co-ordinate the work on various constitutional questions between the Central and State Governments; and

(b) if so, whether there is any State which does not accede to this agency and why?

The Minister of Law and Minority Affairs (Shri Biswas): (a) No, Sir.

(b) Does not arise.

FOREIGN SCHOLARSHIPS FOR U. P.

*1401. **Ch. Raghubir Singh:** Will the Minister of **Education** be pleased to state:

(a) whether it is a fact that some foreign scholarships were granted by the Government of India to students in U.P. in the year 1951-52; and

(b) if so, how many?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). Except for two awards under the

Central State Scholarship Scheme, no foreign scholarships were awarded by Government of India in 1951-52.

भारतीय समवाय अधिनियम

*१४०२. **सेठ गोविन्द दास :** क्या **वित्त** मन्त्री यह बतलाने की कृपा करेंगे :

(क) ऐसे समवायों की संख्या, जिन्होंने भारतीय समवाय (संशोधन) अधिनियम के अधीन अपनी प्रबन्धक एजेंसी में परिवर्तन के लिए स्वीकृति मांगी थी ; और

(ख) उन मामलों की संख्या, जिनमें १९५१-५२ में स्वीकृति नहीं दी गयी ।

The Minister of Finance (Shri C. D. Deshmukh): (a) and (b). Twenty-four companies in all have applied for approval to a change of Managing Agency since the enactment of the Indian Companies Amendment Act. Of these applications, 14 have been accepted, 7 rejected and 3 are under consideration.

SCHOLARSHIPS TO S. E. ASIAN STUDENTS

***1403. Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of **Finance** be pleased to state how many scholarships and the amount involved in each case have the Government of India sanctioned for students from South and South East Asian countries this year?

(b) In what subjects and in what institutions training will be given to these students?

(c) Is this the first instalment of students for such training under the Colombo Plan which the Government of India have arranged?

The Minister of Finance (Shri C. D. Deshmukh): I would invite the attention of the hon. Member to the Press Note Issued on the 29th May 1952, copies of which have been placed in the Library of the House.

TERMINAL TAX ON MILITARY GOODS

***1404. Pandit Munishwar Datt Upadhyay:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that a sum of over 5 lakhs of rupees is due to Delhi Municipal Committee as arrears of terminal tax on military goods imported by the military authorities; and

(b) if so, since when the tax has been in arrears and what are the articles on which the tax was levied?

The Minister of Defence (Shri Gopalaswami): (a) and (b). A sum of Rs. 1,09,080-4-0 is still due to the Delhi Municipal Committee on account of terminal tax from 1947 to 31st March 1951. The tax is levied on all stores stocked by the Army Service Corps such as cereals and other foodgrains, tea, coffee, sugar and hydrogenated oil.

ADULT EDUCATION

***1405. Shri Ganpati Ram:** Will the Minister of **Education** be pleased to state:

(a) whether the Central Government is spending any money on Adult Education in India and the amount spent in U.P.; and

(b) how many adults were educated during 1951 and 1952 in India and in U.P.?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) The attention of the hon. Member is invited to the statement which was laid on the Table of the House in connection with Starred Question No. 707 asked by Shri Jangde on 11th June, 1952.

(b) During the year 1950-51 for which the figures are available, 5,43,251 adults were made literate in the whole of India, of which 70,152 were in U.P.

SCHOOLS AND COLLEGES

***1406. Shri Ganpati Ram:** Will the Minister of **Education** be pleased to state how many new higher Secondary schools and intermediate and degree colleges have been given recognition in India and specially in U.P. in 1951-52?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): The hon. Member's attention is drawn to the annual reports published by State Governments who are concerned with the subject raised in this question.

COMPULSORY EDUCATION

***1407. Shri Ganpati Ram:** Will the Minister of **Education** be pleased to state the total amount of contribution given by the Central Government for free and Compulsory Education in U.P.?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): Upto 1949-

50 block grants were being given by the Central Government to State Governments for all development purposes and the amount given for Primary Education alone is not readily available in 1949-50, a sum of Rs. 2,60,000 was given as grant to U.P. for the training of Basic Schools Teachers.

BARRACKPUR AERODROME

***1408. Shri N. B. Chowdhury:** Will the Minister of **Defence** be pleased to state whether the Barrackpur Aerodrome near Calcutta is being used by the British Air Force engaged in Malayan operations?

The Minister of Defence (Shri Gopalaswami): No, Sir

MILITARY VEHICLES

***1409. Shri Pataskar:** Will the Minister of **Defence** be pleased to state:

(a) whether it is a fact that a very large number of motor vehicles or their Bodies of various Military types are lying in open near Dehu Road in Bombay State;

(b) the number of such vehicles and their Bodies;

(c) the initial value of these vehicles;

(d) the period during which they are lying exposed to sun and rain;

(e) whether they are capable of being used for military purposes;

(f) whether any steps were taken to preserve them from deterioration by exposure; and

(g) what steps were taken to dispose them off if they were unserviceable?

The Minister of Defence (Shri Gopalaswami): (a) Yes.

(b) It is not in the public interest to give this information.

(c) and (d). The information is not available and its collection would entail labour and time to an extent which would not be commensurate with the utility or public interest of the information. The number varies from time to time, as vehicles are taken out for service or for better storage. A steadily increasing number of serviceable vehicles is being found covered accommodation.

(e) Vehicles not required for military purposes or no longer in suitable condition are declared for disposal from time to time.

(f) There is lack of suitable accommodation but steps are taken to prevent deterioration to the maximum extent possible and most of the vehicles are covered by tarpaulins. Suitable accommodation is also being built subject to limitation of material and finance.

(g) Unserviceable vehicles which are considered beyond economical repairs and which are surplus to requirements are disposed of from time to time.

AUDIO-VISUAL EDUCATION

***1410. Shri M. L. Dwivedi:** Will the Minister of **Education** be pleased to state:

(a) the actions taken by the Central and State Governments in connection with the implementation of the recommendations of the All India Audio-Visual Education Conference held in October, 1951; and

(b) whether the services of Prof. T. L. Green who has prepared a scheme of Audio-Visual Education has been made available to the Government of India for the implementation of the training, evaluation and production programmes which the scheme visualises?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) The recommendations of the Conference are under examination both by the Central and State Governments. Generally speaking, all the State Governments from whom we have heard so far are trying to implement the recommendations as far as their financial and other resources permit. The Central Government is examining the question of constituting a "National Committee on Audio-Visual Education" as recommended by the Conference.

(b) No.

ARCHITECTURAL MONUMENTS AT KONARKA

***1411. Pandit Lingaraj Misra:** Will the Minister of **Education** be pleased to state:

(a) the salient recommendations of the committee, set up with Sri Biswanath Das as Chairman, to suggest steps for the better preservation of the unique Architectural Monument at Konarka, in Orissa and for provision of better facilities to the visitors; and

(b) which of the recommendations have so far been implemented?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) The salient recommendations of the Committee are—

(i) Application of chemical preservatives to the Temple for protection against salt,

(ii) plantation of trees around the Temple for protection against sand, and

(iii) application of water-tightening measures both inside and outside the temple.

The Committee also recommended that an all-weather road from Bhubaneswar to Konarka should be constructed and provision should be made for lodging and boarding within the Konarka area for the benefit of tourists.

(b) Experiments with chemical preservatives are being carried out and humidity tests are being taken. Steps are being taken to implement the other recommendations.

As regards construction of the road, the Government of India are in correspondence with the State Government.

PRESIDENTIAL AND VICE-PRESIDENTIAL ELECTIONS

***1412. Shri S. N. Das:** Will the Minister of **Law** be pleased to state:

(a) the total expenditure incurred by Government in connection with the election of the President of the Indian Union;

(b) whether any expenditure was incurred in connection with the election of the Vice-President; and

(c) if the answer to part (b) above be in the affirmative, what was the amount of such expenditure?

The Minister of Law and Minority Affairs (Shri Biswas): (a) to (c). Expenditure has been incurred by the Election Commission in connection with the Presidential and Vice-Presidential elections only on the purchase of 38 special ballot boxes for the former and 4 for the latter, election. The expenditure incurred on this account on the Presidential election was Rs. 3,116 and in respect of the Vice-Presidential election Rs. 328.

Ballot papers for the Presidential election were printed at the Government of India Press *gratis*. The cost on this account will be met out of the grant of the Government of India Presses. Government has no information as to the exact amount spent on this account.

In addition, expenditure has been incurred by the different State Governments in the actual conduct of the poll and in the despatch of the ballot boxes to the Returning Officer at New Delhi. Here again, Government has no information as to the amount spent by the various State Governments.

SCHOLARSHIPS TO HARIJAN AND BACKWARD CLASS STUDENTS

***1413. Shri Kakkan:** Will the Minister of **Education** be pleased to state the number of scholarships given to the Harijan students who were studying in Engineering Colleges in Madras State in 1951-52?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): 41.

EDUCATION IN TRIBAL AREAS OF ASSAM

***1414. Shri Rishang Keishing:** Will the Minister of **Education** be pleased to state:

(a) how many aided and full-fledged Government high schools are there in the North East Frontier Agencies and the autonomous districts of Assam;

(b) how many such Middle English Schools are there; and

(c) whether it is the policy of Government to introduce compulsory primary education in the Tribal areas of Assam?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). The information has been called for and will be laid on the Table of the House in due course.

(c) It is the policy of the Government to introduce free and compulsory Primary Education in all States of India including Assam and its Tribal Areas, but its implementation depends on how far the financial capacity of the Government can cope with the demands of the States.

INDO-GERMAN INDUSTRIAL CO-OPERATION SCHEME

***1415. Shri Hem Raj** (a) Will the Minister of **Education** be pleased to state what will be the subjects of study and duration of training of Indian Engineers under the Indo-German Industrial Co-operation Scheme?

(b) How the selection of these students and engineers will be made?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) A statement is laid on the Table of the House. [*See* Appendix VII, annexure No. 7.]

(b) The selection of candidates will be made by the Selection Board constituted by Government for the purpose.

EXCAVATIONS AT AHICHATRA

***1416. Shri Raghubir Sahai:** Will the Minister of **Education** be pleased to state:

(a) whether the excavation work at 'Ahichatra' near Aonla in District Bareilly (U.P.) has been completed;

(b) if so, whether any report of the work done has been issued;

(c) the conclusion to which Government have arrived as a result of the excavations made at Ahichatra?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) The Excavations work at Ahichatra has been completed to the extent that is necessary to get an idea of the history of the site.

(b) A summary of the results of the excavations was published in 'Ancient India' No. 1. A complete report on the pottery was also published in the same number of the Journal and a report on the terracotta figurines was published in No. 4 of the Journal.

(c) The excavations revealed that the site was under continuous occupation from 300 B.C. or earlier to 1100 A.D.

SHOOTING PRACTICES

***1417. Shri N. L. Joshi:** Will the Minister of **Defence** be pleased to state:

(a) whether the practice of cleaning the fields after the shooting practice by the Military soldiers is continuing;

(b) will the Government give the figures of loss of life and injury to the person and property of the citizens due to this shooting practice during the last financial year;

(c) was any compensation paid by Government for the above loss during the last financial year;

(d) if so, how much and to whom?

The Minister of Defence (Shri Gopalaswami): (a) Yes.

(b) to (d). I lay a statement on the Table of the House. [*See* Appendix VII, annexure No. 8.]

EXCAVATIONS AT SISUPALGARH

***1418. Pandit Lingaraj Misra:** Will the Minister of **Education** be pleased to state:

(a) what is the up-to-date expenditure by the Archaeological Department on the excavations at Sisupalgarh (Orissa), separately on (1) the work itself and on (2) the supervisory Staff;

(b) whether the excavations, so far conducted, have yielded sufficient data to reach a definite conclusion as to the age of the Fort;

(c) if not, do Government propose to resume further excavations and, if so, when the work is expected to be resumed?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) A sum of Rs. 79,589/11/3 was spent on the excavations at Sisupalgarh of which Rs. 77,275/1/3 was spent on the work itself and the balance on the pay of the supervisory staff engaged specifically for the purpose.

(b) Yes, Sir.

(c) Does not arise.

AUDIT OF EMBASSIES ABROAD

***1419. Shri K. C. Sodhia:** Will the Minister of **Finance** be pleased to state:

(a) the present arrangements for the audit of accounts of our Embassies and Missions abroad;

(b) the number of Auditors so employed;

(c) the authority under which these Auditors work; and

(d) whether their reports are received periodically?

The Minister of Finance (Shri C. D. Deshmukh): (a) The Accounts of the High Commissioner for India in the United Kingdom including the India Stores Department are audited by the India Audit Office in London which has been in existence for several decades. This office has recently been conducting a few local inspections of the Embassies in Europe. The accounts of the Indian Embassy in Washington including the India Supply Mission are audited by the India Audit Office, Washington, which was established a few months ago. All other Embassies send their accounts to the Accountant General, Central Revenues or the Accountant General, Food, Rehabilitation and Supply, Delhi as the case may be for audit.

(b) The audit staff in London in all grades, including temporary personnel, consists of 36 persons and in Washington 6 persons. These officers are being gradually strengthened. The staff employed by the Accountant General, Central Revenues and the Accountant General, Food, Rehabilitation and Supply on the audit of the remaining Embassies cannot be readily stated as the work is only a part of a vast amount of work done by them on the audit of the entire Union Civil and Supply Accounts.

(c) Under the authority of the Comptroller and Auditor-General of India.

(d) The reports of subordinate audit authorities are submitted to the Comptroller and Auditor-General, to enable him to submit Reports to Parliament through the President on the Accounts of the Union.

MONUMENTS

***1420. Shri Madiah Gowda:** Will the Minister of **Education** be pleased to state what amounts are placed at the disposal of each Part 'B' State towards the reimbursement of the expenditure incurred during 1950-51 and 1951-52, on monuments of national importance?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): Owing to delay in passing the necessary legislation. no amounts could be placed at the disposal of the Part 'B' States during 1950-51 towards the reimbursement of the expenditure incurred by them on monuments of National Importance.

During 1951-52, the following *grants on account* were made to the States as follows:—

Hyderabad	Rs. 2,50,000
Madhya Bharat	Rs. 1,00,000
Saurashtra	Rs. 12,000
Travancore-Cochin	Rs. 10,000
Pepsu	Rs. 4,000

No grants could be made to the Mysore Government since they did not furnish any information on the subject. The Rajasthan Government reported nil expenditure.

INCOME-TAX

***1421. Shri Satyendra Narayan Sinha:** Will the Minister of **Finance** be pleased to state:

(a) the total amount of profits earned in non-taxable territories and which have not so far been assessed to income tax: and

(b) the amount of capital which is likely to be available for investment by the concession sought to be given under the Income-tax Amendment Bill?

The Minister of State for Finance (Shri Tyagi): (a) and (b). The information is not available.

HIGH SALARIED OFFICERS

***1422. Shri H. N. Mukerjee:** Will the Minister of **Finance** be pleased to state:

(a) whether any Committee was appointed by Government to go into the question of scaling down the salaries of high officials; and

(b) if so, the progress made by the said Committee?

The Minister of State for Finance (Shri Tyagi): (a) No.

(b) Does not arise.

एल्यूमीनियम निक्षेप

*१४२३. श्री रूप नारायण : प्राकतिक संसाधन तथा वैज्ञानिक अनुसंधान मंत्री यह बतलान की कृपा करेंगे कि क्या सरकार को यह ज्ञात है कि मिर्जापुर की दुध्धी तहसील में एल्यूमीनियम के निक्षेप बड़ी मात्रा में मौजूद हैं ?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): No, Sir. The Director, Geological Survey of India, reports that recent investigations undertaken by the Geological Survey of India in the area did not reveal the existence of any occurrence of Bauxite.

CEASE-FIRE LINE (KASHMIR)

***1424. Shri U. M. Trivedi:** Will the Minister of **Defence** be pleased to state:

(a) the number of times the Pakistan troops invaded the cease-fire line since January 1951;

(b) how many of these attacks were made between Kathwa and Poonch;

(c) how many of such attacks were made between Poonch and Zojilla Pass;

(d) what were the casualties suffered and how many of these were Muslims; and

(e) was any compensation paid to the victims or their heirs?

The Minister of Defence (Shri Gopalaswami): (a) Twelve.

(b) Eight.

(c) Four.

(d) One civilian was killed and one other rank was wounded. It is not known whether the civilian was a Muslim.

(e) It is not known if any payment was made by the Jammu and Kashmir Government. No payment was made by the Government of India.

ANDHRA UNIVERSITY

*1425. **Shri Rajagopala Rao:** Will the Minister of **Education** be pleased to state whether the Government of India gave any grant to the Andhra University under the Head "Research if so, how much and on what condi- and/or Education", at any time and tions?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): A Statement is laid on the Table of the House. [*See* Appendix VII, annexure No. 9.]

TOBACCO TAX ASSESSMENTS

*1426. **Shri K. R. Sharma:** Will the Minister of **Finance** be pleased to state:

(a) whether Government have received any complaints of wrong and arbitrary assessments of Tobacco Tax by Central Government officials in Uttar Pradesh; and

(b) whether the Government have received a requisition from the Government of Uttar Pradesh urging the assessment and collection of Tobacco Tax through State Government officials?

The Minister of State for Finance (Shri Tyagi): (a) Yes; occasional complaints have been received of such assessments.

(b) The Government of Uttar Pradesh have recently suggested that a system of comparison of estimates of production of tobacco by individual growers made by Central Excise officers, with similar estimates made by the State Government's village *Patwaris*, should be introduced. This suggestion is under the active consideration of the Government of India.

NAVAL BASE AT KARWAR

*1427. **Shri Datar:** Will the Minister of **Defence** be pleased to state:

(a) whether Government have before them a proposal to develop a naval base at Karwar on the West Coast;

(b) whether Karwar has been recommended by the experts as having natural facilities in this behalf; and

(c) if the answer to the above be in the affirmative, when the proposal is likely to be implemented?

The Minister of Defence (Shri Gopalaswami): (a) No, Sir.

(b) In the opinion of experts, the disadvantages outweigh the natural facilities of Karwar for the development of a naval base.

(c) Does not arise.

TAXATION OF FOREIGN INCOME

*1428. **Shri Satyendra Narayan Sinha:** Will the Minister of **Finance** be pleased to state the amount of revenue derived from the taxation of foreign income of Indians resident in India during 1950-51?

The Minister of State for Finance (Shri Tyagi): The figure of tax of only Indians resident in India is not separately available. For all persons resident in India—of whatever nationality—the tax levied on foreign income during 1950-51 was Rs. 4 crores and 68 lakhs.

GEOLOGICAL SURVEY OF INDIA

324. **Shri Hem Raj:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) which States of the Northern Circle the Geological Survey of India surveyed in the years 1950-51 and 1951-52;

(b) in how many of them the Geological mapping and general survey of minerals was completed during these years;

(c) whether Government have received any report of the investigation of these surveys;

(d) whether any survey of the Jawalamukhi area of the Punjab State was undertaken; and

(e) if so, with what result?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). A statement giving the information required is laid on the Table of the House. [*See* Appendix VII, annexure No. 10.]

(c) Yes, Sir.

(d) and (e). Yes, Sir. A copy of the report entitled "Final Report on the Geology of the Jwala Mukhi area, Kangra District, Punjab (I) by V. H. Boileau and G. Kohli, Geological Survey of India" is available in the Library of the House.

FOREIGNERS IN INDIAN UNIVERSITIES

325. **Shri Badshah Gupta:** Will the Minister of **Education** be pleased to state the amount of scholarship, if any, given by the Indian Government to the respective foreign scholars studying in Indian Universities in terms of rupees?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): Scholars selected under the Government of India General Scheme of Cultural Scholarships to Foreign Students for studies in India are normally paid a stipend of Rs. 200 p.m. In addition tuition, examination and capitation fees, if any, are also paid. Some scholars are, however, paid a lesser amount of stipend according to their needs.

Fellows selected under the Government of India *ad hoc* scheme for the award of reciprocal fellowships to French Fellows for studies in India are paid a stipend of Rs. 500 p.m. except those who are at universities of Calcutta and Bombay where they are paid Rs. 600 p.m. Half of the expenditure is, however, shared by the universities concerned where the Fellows are doing research and teaching the French language.

सैनिक डेरी फार्मों में बछड़े

३२६. **डा० सत्यवादी** : क्या रक्षा मंत्री यह बतलाने की कृपा करेंगे कि :

(क) क्या यह सच है कि १९४७ के पहले सैनिक डेरी फार्मों में यह परिपाटी थी कि ठीक जन्म के समय ही बछड़े मार दिये जाते थे और क्या यह परिपाटी अब भी चल रही है ; और

(ख) क्या ऐसी परिपाटी रक्षा विभाग द्वारा निकाले किसी विशेष नियम या आदेश के अनुसार चल रही थी ?

The Minister of Defence (Shri Gopalaswami): (a) and (b). The breeding policy in force in Military Dairy Farms upto the end of 1947 was that only selected calves from good dams were reared for the replacement of or to meet casualties among Military Dairy Farms cattle. The rest were given away or sold to the public. Surplus calves were put to death shortly after their birth.

At the end of 1947, orders were issued not to destroy calves except for veterinary reasons and these orders are still in force.

CHURCH TO THE NORTH OF RASHTRAPATI BHAWAN

327. **Shri Sinhasan Singh:** Will the Minister of **Defence** be pleased to state:

(a) whether the big church to the North of the President's House was built along with the Presidential building *i.e.* the Government House, at Government cost as a place for worship for the then Head of the State, *viz.*, the Viceroy and Governor General of India and was so used by him; and

(b) since the change over of the Government and consequent change of the Head of the State to what use the church is being put and who maintains it?

The Minister of Defence (Shri Gopalaswami): (a) The hon. Member is presumably referring to the Church of the Redemption, New Delhi. This Church was built along with the Presidential building now known as Rashtrapati Bhavan and was used by the former Viceroys and Governors General as a place of worship. There is no record to show that this Church was built at Government cost. It is, however, understood that it was built in the time of Lord Irwin, who himself donated a large sum of money and also raised subscription from the public for the purpose.

(b) The Church, which now vests in the Indian Church Trustees, is maintained by them and used as a place of worship.

VISWA BHARATI

328. **Shri S. N. Das:** Will the Minister of **Education** be pleased to state:

(a) whether the Viswa Bharati has begun functioning as a unitary teaching and residential University as incorporated under the Viswa Bharati Act, 1951;

(b) the important branches of learning in which research and instructions are being carried on at present;

(c) whether various authorities of the University have been constituted as envisaged in the Act;

(d) whether a full statement of the financial requirements of the university has been received by Government; and

(e) if so, the important aspects of the said requirements?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Yes, Sir.

(b) A statement is laid on the Table of the House. [*See* Appendix VII, annexure No. 11.]

(c) Yes.

(d) and (e). Yes. A statement is laid on the Table of the House. [*See* Appendix VII, annexure No. 12.]

INVESTMENT ABROAD OF INDIAN CAPITAL

329. **Shri B. N. Roy:** Will the Minister of **Finance** be pleased to state:

(a) the industries in foreign countries in which Indian capital has been invested; and

(b) the amount of Indian capital invested in different foreign countries?

The Minister of Finance (Shri C. D. Deshmukh): (a) and (b) A statement showing the amount of Indian capital invested in foreign countries as on 30th June 1948 is laid on the Table of the House. [*See* Appendix VII, annexure No. 13.]

TAJ MAHAL

330. **Shri Raghubir Sahai:** Will the Minister of **Education** be pleased to state:

(a) for how long repairs of the Taj Mahal are going on;

(b) what is the total amount that has been spent so far over the repairs year-wise;

(c) whether repairs are now over; and

(d) if not, how much more time will be taken to complete the work?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) The repairs have been going on since 1940-41.

(b) The total amount spent so far over the repairs is as follows:

1940-41	35,243
1941-42	9,631
1942-43	2,865
1943-44	93,405
1944-45	16,965
1945-46	725
1946-47	Nil
1947-48	56,378
1948-49	62,311
1949-50	28,418
1950-51	39,825
1951-52	46,863

(c) and (d). The repairs are not yet over. It will take about 8 to 10 years more to complete the work.

ORDNANCE AND CLOTHING FACTORIES

331. **Shri Krishna Chandra:** Will the Minister of **Defence** be pleased to state:

(a) whether Ordnance and Clothing Factories undertake work for private bodies;

(b) if so, the nature of the work done on behalf of private bodies; and

(c) the total amount of receipts for such works executed during the years 1949-50, 1950-51 and 1951-52?

The Minister of Defence (Shri Gopalaswami): (a) Yes, to the extent capacity is available after meeting the needs of the Services.

(b) A few examples of the nature of work done for the trades/private bodies are given below:

- (i) Manufacture of Steam and Diesel Road Roller components and sub-assemblies;
- (ii) Production of Sulphuric Acid;
- (iii) Production of Acetone;
- (iv) Repairs to Binoculars, compasses, prismatic, etc.;
- (v) Forging of Crankshafts;

(vi) Manufacture of Brass Strips;

(vii) Manufacture of Steel and Pinion wheels.

(c) The total amount of receipts for executing such works for trade are given below:

1949-50	Rs. 136 lakhs.
1950-51	Rs. 109 lakhs.
1951-52	Rs. 40 lakhs.

MILITARY TRAINING INSTITUTIONS

332. **Shri Krishna Chandra:** Will the Minister of **Defence** be pleased to state:

(a) the names of institutions, showing the places of their location, giving Military training to the educated youths with a view to prepare them for higher Military career;

(b) the rules regulating admission into the above institutions;

(c) the number prescribed for admission into each one of them; and

(d) the period of training?

The Minister of Defence (Shri Gopalaswami): (a) The question is not quite clear. Strictly speaking, the National Defence Academy at Dehra Dun is the only institution at which Military training is imparted to selected candidates with a view to commissioning them in the Armed Forces. The hon. Member has possibly in mind institutions like the Prince of Wales Military College at Dehra Dun and the King George's Military Schools at Jullundur, Ajmer, Belgaum and Bangalore. These institutions are run as public schools and no military training as such is imparted there, but considerable emphasis is laid on physical drill and out-door exercises. A number of boys from these institutions eventually join the National Defence Academy.

(b) A copy of the rules regarding admission to Prince of Wales Military College is laid on the Table of the House. [*See* Appendix VII, annexure No. 14.]

The King George Military Schools are being re-organised, and revised rules for admission have not yet been finalized. Broadly speaking, boys between the ages of 9 and 11 will be admitted to these Schools on the basis of an interview-*cum*-intelligence test.

Rules regarding admission to the National Defence Academy are laid down in Union Public Service Commission Notifications No. F.12/5/52-E, dated the 19th January 1952 and No. F.8/5/52-E, dated the 2nd February 1952. In addition to cadets coming from the Joint Services Wing, a certain number of cadets are admitted to the Military Wing direct from the following sources:

(i) Technical Graduates.

(ii) National Cadet Corps.

(iii) Regular Army and Territorial Army.

(iv) through an examination held by the Union Public Service Commission.

All the above categories have to appear before the Services Selection Boards.

(c) The approximate number of vacancies normally available at the above institutions annually are as follows:

(i) National Defence Academy—

Joint Services Wing	440
*Military Wing	400

*Most of the cadets consist of those who come from the Joint Services Wing.

(ii) Prince of Wales Military College —30 to 35.

(iii) King George Military Schools, †between 40 and 50 at each school.

†These vacancies will be available when the Schools start functioning on a re-organised basis from September 1952.

(d) The period of training at the National Defence Academy is two years in the Joint Services Wing and a further two years in the Military Wing except in the case of Technical Graduates and National Cadet Corps for whom the period of training at the Military Wing is one year. The period of the total courses at the Prince of Wales Colleges is about six years and at the King George Military Schools six years.

IMPORT OF TINNED FOOD

333. **Shri M. L. Dwivedi:** Will the Minister of **Defence** be pleased to state:

(a) the quantities and value of tinned food and other articles imported after the 15th August, 1947 for the use of Defence Services;

(b) the losses sustained in this connection, if any;

(c) whether quality of food material has always been found to be satisfactory;

(d) whether any variety of tinned food. milk, fruit or other eatable material was found to be (i) totally unfit for human use (ii) partially bad and (iii) deteriorated during storage after import;

(e) the loss, if any, sustained in the cases referred to in part (d), and how are they to be accounted for?

The Minister of Defence (Shri Gopalaswami): (a) A statement is laid on the Table. [*See* Appendix VII, annexure No. 15.]

(b) The following quantities of foodstuffs deteriorated:

Commodity	Tons	lbs.
Vegetable tinned .	0	1053
Milk tinned . .	377	881½
Skimmed Milk Powder	74	1291

(c) Generally, the quality of food material has been found satisfactory.

(d) (i) No variety was found totally unfit for human consumption on arrival in the country;

(ii) Part of a consignment of tinned milk known as Suntrap brand was found unfit.

(iii) A consignment of Atlas brand tinned milk deteriorated during storage.

(e) The value of the consignments is Rs. 7,29,723/5/-. Claims are lodged on the suppliers and recoveries effected.

STATE TRADING AND MANUFACTURING SCHEMES

334. Shri M. L. Dwivedi: Will the Minister of Finance be pleased to state:

(a) the existing State Trading and Manufacturing Schemes (i) which are running under loss (ii) which are yielding adequate return commensurate with the capital invested, and (iii) which are at a standstill stage;

(b) who are responsible for the losses sustained; and

(c) which of the schemes if any have been found to be more (i) useful, (ii) more profitable, (iii) and more extravagant, as compared with others, and why?

The Minister of State for Finance (Shri Tyagi): (a) to (c). The information is being collected from the concerned Ministries and will be placed on the Table of the House as soon as possible.

INCOME-TAX

335. Pandit D. N. Tiwary: Will the Minister of Finance be pleased to state the amount of Income-tax levied in the year 1950-51 and 1951-52 on such firms whose main business is in Bihar but who have got their Offices registered outside Bihar?

The Minister of State for Finance (Shri Tyagi): The information required is not available from the records and cannot be compiled without a considerable amount of labour which will not be commensurate with the result likely to be achieved.

EVASION OF INCOME-TAX BY MICA-MINERS

336. Shri Raghavaiah: Will the Minister of Finance be pleased to state:

(a) how many cases of evasion of income-tax by Mica Mine owners, Mica holders and exporters have come to the notice of the Government in the last year and how much is the estimated loss;

(b) how many cases of voluntary disclosure of income by Mica Companies have been made and what is the gain; and

(c) whether the whole quantity of Mica mined has been accounted for in the Royalties Register or any instances of illegal removal of Mica have come to light?

The Minister of State for Finance (Shri Tyagi): (a) Government have received some reports alleging tax evasion by Mica Mine owners, Mica dealers and exporters which are already under investigation. How many of them will be found to be actual evaders and what the extent of the tax evaded is will be known after the investigation has been completed.

(b) Voluntary disclosures have been made by 18 Mica Miners, 88 Mica dealers. All the cases of Mica Miners and 54 cases of Mica dealers have so far been settled resulting in a Tax of Rs. 15·27 lakhs.

(c) The matter concerns the State Governments.

PUBLIC DEBT

337. Shri Satyendra Narayan Sinha: Will the Minister of **Finance** be pleased to state:

(a) the total amount of public debt which India owes at present to different countries; and

(b) the amount of the debt country-wise?

The Minister of Finance (Shri C. D. Deshmukh): (a) and (b). India's total external public debt as on the 31st March 1952 stood at Rs. 99·85 crores roughly comprised of—

(i) Rs. 77 crores drawn against the loan of Rs. 90 crores by the Government of the United States of America for the purchase of wheat;

(ii) Rs. 21·5 crores from the International Bank for Reconstruction and Development for the Railway, Agriculture and the Damodar Valley Projects; and

(iii) Rs. 1·35 crores as the outstanding balance of the Sterling Debt.

FOREIGN EXPERTS

338. Shri H. N. Mukerjee: Will the Minister of **Finance** be pleased to state:

(a) the number of foreign experts employed by Government and the nature of work in which they are engaged;

(b) the emoluments of these experts, including allowances, housing, tax-free concessions etc.;

(c) other privileges, if any, such as diplomatic or quasi-diplomatic immunities granted to them; and

(d) the number and emoluments of foreign experts proposed to be employed by the end of the financial year 1952-53?

The Minister of Finance (Shri C. D. Deshmukh): (a) A statement is placed on the Table of the House. [*See* Appendix VII, annexure No. 16.]

(b) The Government of India have no information as the experts are obtained under various international technical assistance schemes and their emoluments etc., are paid by donor Governments, agencies etc.

(c) The following, in a general manner, are the more important immunities and privileges which are granted to the foreign experts obtained under the various schemes so far as India is concerned:

(i) Exemption from double taxation on their salaries;

(ii) Exemption from payment of customs and import duties on personal household and professional effects and supplies on their first arrival;

(d) The number required in 1952-53 is still under consideration.

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THE PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

HOUSE OF THE PEOPLE

Wednesday, 2nd July, 1952

The House met at a Quarter Past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

8-35 A.M.

STATEMENT BY DR. JAISOORYA WITHDRAWING ALLEGATIONS RE: TELEPHONE CONTRACT

Dr. Jaisoorya (Medak): Sir, I am grateful to you for the courtesy you have shown me, in permitting me to make a statement today on the floor of this House.

This statement has become essential because during the course of my speech on the floor of this House on the 3rd June, 1952, the verbatim recording of my speech shows that I said as follows:

> "One more point. I want the facts to be laid on the Table. A contract with a British firm for telephones was signed in Switzerland. It is strange that it was not signed in Delhi or in London, but there is a corollary to this, and my information is—I am giving it in all good faith because I have full faith in my information—there is a very large sum of money, one and a half million Swiss francs in the name of an Indian national who is connected with this deal. That came to light when that person died, and the bank asked: 'Here in the name of a certain person is a large sum of money; what should be done?' Two points arise out of that: One is that that person, without informing the Government, had a large balance, and in a hard currency area, which was not declared—in that case, it is evasion of income-tax. I want to ask—I may be wrong, but the people have the right to know, because as they say, Caesar's wife must be above suspicion."

I accept, although I spoke extempore, the reporting of this part of my speech as substantially correct.

I made this particular statement in good faith basing it on the information given me by one very highly placed and usually well informed person. On the floor of this House I asked the Government to investigate into the facts. As a public worker, whatever the source of my information be, I hold myself entirely responsible for all the consequences of statements made by me.

The Prime Minister took immediate action and did all that he could, with the aid of the governmental machinery within the country and reference to our outside agencies, to ascertain the truth of my statement.

I have had a full discussion with the Prime Minister and I had the occasion to examine all the records of the investigations done and I find that my said statement is unsubstantiated and therefore incorrect.

It is my duty to frankly admit my mistakes when I realise that they are mistakes. I have never shirked doing so.

I do consider the statement I made on the floor of this House on the 3rd June a grave mistake because it was unsubstantiated. I therefore beg leave of you, Sir, and of this House to unreservedly withdraw it and to apologise for having made that statement.

Mr. Speaker: Would the hon. the Leader of the House like to say anything?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Allow me to say, Sir, that I appreciate the frank and fair statement that the hon. Member has made.

GENERAL BUDGET—DEMANDS FOR GRANTS

Mr. Speaker: The House will now proceed with the discussion of the Demands for Grants and the cut motions in respect of the Ministry of Irrigation and Power. The hon. the Minister in charge of it will continue his reply.

The Minister of Planning and Irrigation and Power (Shri Nanda): Sir, when the House rose yesterday, I was dealing with some points on the adverse criticisms in relation to the Hirakud project. I was enumerating some of the things which I noticed and which I did not like. It appears to me that for a period, the Hirakud administration was somewhat loose and the work of the project was not proceeding very smoothly. This caused some embarrassment to us, but it appears to me that no appreciable loss occurred on that ground. The person responsible chiefly was the then Chief Engineer, who was later removed from that position and demoted. I think, very stringent and strong action was taken in this case, and I am able to say without hesitation that since then striking improvements have occurred in every direction. The work there is proceeding fast and I got some graphs prepared to satisfy myself as to how the progress of the work compared with the original schedule and the revised programmes, and I find that for the last one year or so, the work has been proceeding not only in accordance with schedule but in certain respects ahead of schedule. I have been assured also that there is going to be very much more rapid progress hereafter. What is being visualised now in respect of the Hirakud project is that on the main dam the earth dam will be completed by the end of June, 1955, and the concrete dam in all respects will be completed by the end of June, 1956. I do not wish to take up the time of the House regarding the schedule in respect of the other items, but I am assured that the other works also will be completed within the scheduled dates.

There are still certain things that call for an explanation. I have one other thing which I should specially bring to the attention of the House. I found that a part of the work had been done before the sanctions were received. It was not that there were no designs and specifications and estimates. All that was there, but it took some time to obtain the sanctions, and it is explained to me that because of the urgency of the work, things had to be carried out.

There is one thing which is of a outstanding character and which calls for explanation and that is about the subsidiary dam. A great deal of criticism and comment has been made in connection with it. Certainly it will look very strange that something was started which cost us about Rs. 70 lakhs,—not Rs. one and a half crores as has been alleged—but still a substantial sum—the work goes on for some time, and then at some stage, we abandon it for the time being. I have looked very carefully into this matter, and I might assure the House regarding one thing. It is being stated that possibly this thing was taken up as an afterthought or as something which was not really previously considered adequately and properly. This is not so. This subsidiary dam and this Power House No. 2 were parts of the original project. Later on when an Advisory Committee of which Dr. Savage was the Chairman examined the project, they also came to the same conclusion that it would be desirable to begin with two units in Power House No. 2, as the construction of the civil works and the installation of machines at Power House No. 2 could be more easily done in advance, than Power House No. 1. This was considered to give an obvious advantage regarding the development of power and the training of personnel. According to the recommendation of this Committee, the work was started on the subsidiary dam and the power house, but later on after the planning commission gave thought to the matter, particularly in the context of the allocation of resources, decision was taken that this dam should not be proceeded with. This has to be understood in relation to the conditions and circumstances which existed at the time the decision was taken and the change reflects the greatly altered conditions and circumstances of today. At the time the decision was taken, there was a feeling in the country and also in the Government that there were ample funds and that no worthwhile project need be held up for lack of funds. At that time, there was also an optimistic view of the prospects of industrial development in the country—the idea being that a steel plant was going to be set up soon. It seemed also that other industries too would come into being. That optimism has been falsified to a degree, and the Planning Commission both in view of the paucity of resources and also because they felt that the power that will be generated in Power House No. 1 would suffice for anticipated loads. What is going to happen to this? A certain amount of money is locked up there, immobilised, but I may inform hon. Members that of this, a part, *i.e.* the buildings etc. which have taken up about 20 lakhs of rupees, will be utilized. The generating sets are, of course, to be used in Power House No. 1 with certain modifications and the rest of the works etc. are going to be kept in a carefully preserved condition so that when more favourable conditions arise this work can then be taken up again and proceeded with.

So much about the subsidiary dam. Before proceeding to the other project I may make mention of a particular fact. That is, after hearing the hon. Mr. Sarangadhar Das I sent him a message enquiring as to whether there were any specific cases of nepotism, corruption etc. which he could supply to me so that I could make inquiries and could deal with those specific cases. The hon. Member was not able to furnish any more material. Yesterday again we had contact and I may for the information of the House state that the hon. Member told me that in making those assertions and giving that information in the House and making those charges, he had no narrow provincial spirit. He was under the impression—a wrong impression, of course—that things were as bad as he had imagined them to be. Sir, to me the fact that I have been able to answer—I believe adequately—the charges that people in Orissa had not been dealt with fairly—although there were so many engineers available, they were not given opportunities for employment, that local contractors there were not given opportunities for making profits—still does not make me feel satisfied. The very fact that a feeling prevails or exists in the minds of numbers of people in Orissa that something wrong has been happening is a thing which should cause concern to me, and does, and I have assured the hon. Member that I would very soon personally be there, spend several days there and find out what is underneath this feeling.

What is wrong with us more than anything else is that it is wrong publicity. We have not got adequate publicity so that even in Orissa where so much is being done which we can justify, large numbers of people carry wrong impressions.

With regard to the Hirakud project, another question also arose that the estimates had risen and the cost of the project had increased very fast. The impression is that when the revised estimate gives a higher figure than the original estimate, possibly the same work which should properly have been done at the old figure is being done at a much higher figure, and consequently there is extravagance and waste. This is losing sight of the fact that the original project was estimated at a certain time, say, 1945 or 1946. From our experience in other fields and our own personal experience, we find that whereas we had to pay a rupee for a thing four or five years ago, it is much higher now. The same thing has happened in the case of the Hirakud project and also the other projects. Increase in labour charges five crores, increase due to devaluation 2·5 crores, increase in land compensation 6·7 crores and like that the total of 44·3 crores is explained. There is also increase on account of inclusion of the delta irrigation (12 crores) not included in the original estimate and increase in the length of transmission lines. I need not labour this point further. I have got figures to show how much machinery prices have risen and how much labour rates have risen. For example, labour rates have risen from twelve annas to one rupee and eight annas a day. This is all about the Hirakud project, except for one point.

The hon. Dr. Meghnad Saha passed on a note to me about Dr. Savage. I had cited his evidence in support of the good work being done at Hirakud and the fact that the planning was done satisfactorily. The hon. Member points out that Dr. Savage is an expert on dam construction, but he is not an expert on planning. If you give him the site, he can give advice, but apart from that he is not competent to choose the site. I made inquiries about this and the information is that Dr. Savage is an expert on dam design and construction that is design also. He cannot be an expert on this without being an expert on planning and site location. He has been associated as consultant in the location of most of the major dam sites in the United States of America and elsewhere in the world.

Now I proceed to deal with the Damodar Valley Corporation. Very serious allegations and charges were made in respect of the working of the D.V.C. At the outset I might clear up one point. There are certain aspects of the D.V.C. which, I must confess, I have not studied fully. The feeling

[Shri Nanda]

remains in my mind that for a period the D.V.C.—the administration—had not got a very strong grip; for example, for longer than was possibly desirable or proper no Chief Engineer was appointed. As a result, some difficulties must have arisen—I believe, have arisen—and I can give a very correct and accurate assessment of that after going through those things more fully. But I can say at this stage emphatically that as things stand in the matter of the D.V.C. now, we have no reason for apprehension that there is going on any extravagance or, at any rate, any waste of funds, because certain precautions have been taken. From the time the Corporation was set up till now various things have happened and various precautionary measures taken. There is the Advisory Committee, there is the inter-State conference, there is the Committee of Consultants—technical people—and so I can assure the hon. Member that whatever might have been the ground for his anxiety and for his feelings then, it does not exist now, as far as I am able to make out.

The hon. Member has specially singled out the report of Dr. Morgan in connection with this D.V.C. and he is of the view—he has stated very explicitly—that Dr. Morgan made some recommendations which the D.V.C. has not carried out, and Dr. Morgan mentioned some irregularities which have not been brought to light. I have got Dr. Morgan's report here and I have no hesitation in letting Dr. Meghnad Saha see it whenever he wants and I am making this statement after perusal of that report and after making some further inquiries. I find that this feeling, this impression that Dr. Morgan had made some serious aspersions etc. about the D.V.C. is not correct, as also his statement that Dr. Morgan made some recommendations which have not been carried out. Dr. Morgan dealt with technical issues. For example, he made recommendations about increase in the design flood, and also that the Tilaiya and Konar dams should only be used for irrigation and power and not for flood control. These recommendations and other recommendations of Dr. Morgan have been attended to. And whatever else Dr. Morgan had to say regarding the working of the D.V.C. was, I believe—I have got the wording—not at all adverse to the administration of the project.

Dr. Meghnad Saha also stated that the D.V.C. had not yet reached even the planning stage. He mentioned some irregularities. I spoke to Dr. Meghnad Saha the same day and asked him for any instances, any material which I would have further explored and inquired into so that I could say with definiteness whether what he said was correct. But he could not. I can easily understand that a person outside may not have all the material. If even now after further inquiry he is able to let me have anything, I will make very full and complete inquiries.

Shri Meghnad Saha (Calcutta North-West): I shall give all those materials which I have collected, and there are plenty of them.

Shri Nanda: That may be. I cannot say what will be the situation in future, but so far, the allegations that were made are concerned, there was no material.

Some mention was made about irregularities in connection with *reclamation work*. It is true that the cost per acre has risen very much. There is an explanation for it. The quantity of earth that had to be moved was found to be very much more than was anticipated. But in this case also, it is only further very close examination that will reveal as to what the exact state of affairs has been. But to say that the D.V. project has been badly designed and badly planned and that the work has not even reached the planning stage is very far from correct. I may give a brief description of the position now. The amount of money spent is Rs. 30 crores and not Rs. 20 crores as hon. Members stated. The Tilaiya hydro-electric power station is going to be completed this year. Konar will reach 1340 elevation this year to supply enough cooling water. The first unit at Bokaro will be completed by June, 1953, according to schedule. The first unit at the Bokaro power station will come into operation by the end of this year and the entire power station early in 1953. One hundred and forty miles of transmission lines have already been erected together with eight sub-stations. There are other details. I may say that so far as work on this power house is concerned, the interest of the International Bank is a significant matter, because the Bank could not let things happen; they are concerned, and they are interested, and they have been exercising a check, and from time to time their representatives have visited the place, and their reports—I have gone through them—do not reveal any kind of material which would support the criticism that has been made. On the other hand, every succeeding report has exepressed more and more satisfaction with the work that is going on at the D.V.C.

9 A.M.

Another point regarding D.V.C. was about the *priority* given to power as compared with irrigation. Here also the question is not of any deliberate choice in the matter. Several circumstances favoured progress in one direction more than in another direction. It is very well known to Dr. Meghnad Saha that work on irrigation dams—the designing and the preparation—takes much longer. In the case of thermal stations, the civil works do not require so much time, and if machinery has been ordered in time, it is possible to set up a thermal station very much more quickly. And a large thermal station was always looked upon as an integral part of the Damodar Scheme. There is meanwhile an acute demand for power in the Damodar region. In these circumstances, I do not think there is any point in quarrelling with the progress on one side simply because favourable circumstances,—and availability of finance, etc., lead to this progress. As regards the other work also, I have made inquiries and I find that it is progressing fast. I have got here a whole schedule as to what has been done during this period and how soon various things will be completed. In view of the fact that I am taking up a good deal of the time of the House on this one question, I will not occupy that time in giving all these details.

I would like now to proceed to the other project—the *Bhakra-Nangal Project*. In connection with this project, there were two main points of criticism. One was that the work is being delayed—that the date of completion has been postponed year after year; and the second point was about Mr. Slocum, and the feeling possibly was that we have engaged a person on a very high salary, and that his services could have been dispensed with. I have examined the documents and the other material relating to this Bhakra-Nangal Project and I feel a great amount of satisfaction that things are going on very smoothly now and very fast. I have got here something which will possibly clinch the whole issue—what is going to be the date for the completion of the various works that are taken in hand?

Babu Ramnarayan Singh (Hazaribagh West): What about the exorbitant salary?

Shri Nanda: I thought of coming to the question of Mr. Slocum later. If the hon. Member wants me to answer that question first, I will do it. Mr. Slocum's services were obtained because we were confronted with conditions on the dam site which had no parallel. The hugeness of the work, the great intricacies, the great complexity of it, the various difficulties—all these were something which had not been met with anywhere, and the very best person in the world certainly was required for technical assistance in the construction of that dam. It is our regret that we could not obtain Mr. Slocum earlier. Efforts were made to obtain his services, but we thought that the salary was too high and therefore we hesitated and did not accept his terms, and we went on negotiating and bargaining. Later on we found that we could not obtain anybody else. Also, the fact is that his salary may be high in terms of our salaries, but it is not at all high in terms of the salary that he could command and had been commanding there or elsewhere. So, we could not choose in the matter. We wanted the best technical advice and we had to obtain it at a high cost. But the fact is that his presence on the site and his work so far has been of a very impressive character. The choice has justified itself. The rate of progress has been greatly accelerated in terms of the schedules which we had in view. For example as per 1952 Project Report the concrete dam was to have been completed in December 1959 and now the revised schedule is June 1958. For diversion tunnels, the 1952 Project Report put the completion date at December 1953 and the revised programme is now June 1953. The whole of the dam was originally scheduled to be completed by March 1960 and now that has been advanced to March 1959 subject to availability of funds. Same is the case regarding other items in the Project Report. This is good enough namely to be able to save a period of six months or a year on a project. If one were to calculate the overhead charges, the interest and everything else, it may amount to a saving of lakhs of rupees. So I do not think by any test this appointment of Slocum is difficult to defend. It can be fully justified. In the course of my reply with regard to Slocum I have also given the information which I was giving regarding.........

Mr. Speaker: Order, order. Will the hon. Minister resume his seat? I may remind the hon. Minister that we have to take the other Demands now and the time is allotted. We have to take up other Demands now on which all Members are anxious to speak. It will be sufficient if he just touches the main points and—gives as many details as

[**Mr. Speaker**]

possible but within as short a time as possible. He took one hour yesterday and today he has taken about 40 minutes or so, if I mistake not. So I find a sense of uneasiness among the hon. Members in the House as to what will happen to the other Demands and criticisms in view of the time limits placed everywhere in financial business. That is the point. He need not go into all those details.

Shri Nanda: Sir, I am grateful for being reminded that I am trenching on the time which is reserved for or intended for other matters. Sir, you mentioned the fact that there is a certain amount of uneasiness here about this matter. I too, Sir, when I started my speech on this, mentioned the question of a certain state of uneasiness regarding the working of these river valley projects and I tried to allay that and I believe that I can have other occasions also for giving further information about various things which have occurred here and which have been creating a very wrong impression in the country about the actual state of affairs regarding the river valley projects. I therefore, Sir, will bow to you and not take up any more time of the House. There were other things to be said about the whole organisation and the administrative set up of the various projects but if I enter into them, I will possibly, Sir, exceed the time that you would like to give me. So, Sir, I close my speech.

Shri Sarangadhar Das (Dhenkanal—West Cuttack): On a point of explanation, Sir. The Minister said that my impression was wrong. I have not said when I contacted him over the telephone that I admitted that my impression was wrong. It is he who thinks "my impression was wrong", and whatever explanation he has given, I am still unconvinced. When I am convinced, I will certainly admit that.

Mr. Speaker: So I will now put the cut motions and Demands to the vote of the House.

The question is:

"That the Demand under the head 'Irrigation (including working expenses), Navigation, Embankment and Drainage Works (met from Revenue)' be reduced by Rs. 100."

The motion was negatived.

Mr. Speaker: The question is:

That the Demand under the head 'Irrigation (including working expenses), Navigation, Embankment and Drainage Works (met from Revenue)' be reduced by Rs. 100."

The motion was negatived.

Mr. Speaker: The question is:

"That the Demand under the head 'Multipurpose River Schemes' be reduced by Rs. 100."

The motion was negatived.

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"That the Demand under the head 'Multipurpose River Schemes' be reduced by Rs. 100."

The motion was negatived.

Mr. Speaker: The question is:

"That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Natural Resources and Scientific Research' be reduced by Rs. 100."

The motion was negatived.

Mr. Speaker: The question is:

"That the Demand under the head 'Capital Outlay on Multipurpose River Schemes' be reduced by Rs. 100."

The motion was negatived.

Mr. Speaker: The question is:

"That the Demand under the head 'Capital Outlay on Multipurpose River Schemes' be reduced by Rs. 100."

The motion was negatived.

Mr. Speaker: The question is:

"That the Demand under the head 'Capital Outlay on Multipurpose River Schemes' be reduced by Rs. 100."

DEMAND NO. 71—IRRIGATION (INCLUDING WORKING EXPENSES), NAVIGATION, EMBANKMENT AND DRAINAGE WORKS (MET FROM REVENUE)

Mr. Speaker: The question is:

"That a sum not exceeding Rs. 16,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Irrigation (including working expenses), Navigation, Embankment and Drainage Works (met from Revenue)'."

The motion was adopted.

DEMAND NO. 75—MULTIPURPOSE RIVER SCHEMES

Mr. Speaker: The question is:

"That a sum not exceeding Rs. 27,60,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Multipurpose River Schemes'."

The motion was adopted.

DEMAND NO. 76—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH

Mr. Speaker: The question is:

"That a sum not exceeding Rs. 31,72,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Natural Resources and Scientific Research'."

The motion was adopted.

DEMAND NO. 123—CAPITAL OUTLAY ON MULTIPURPOSE RIVER SCHEMES

Mr. Speaker: The question is:

"That a sum not exceeding Rs. 2,04,43,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Capital Outlay on Multipurpose River Schemes'."

The motion was adopted.

DEMAND NO. 37—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF FINANCE

Mr. Speaker: Motion is:

"That a sum not exceeding Rs. 1,05,79,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Finance'."

Now I understand that this is to be discussed inclusive of the hon. Minister's reply upto Twelve O'clock when we shall take up the Demands in respect of the Ministry of Finance.

Shri A. K. Gopalan (Cannanore): According to yesterday's programme one hour more was taken. This was not calculated yesterday.

Mr. Speaker: The difficulty will be that there will be lesser time for discussion on Finance. I think tomorrow is the last day for these Demands.

Shri S. S. More (Sholapur): Why not carry it for one day more?

Mr. Speaker: It cannot be carried on, because as I said we have given ample time and I am afraid it encourages the habit of looseness of planning. If we plan the session then we must try to stick to it. It is no use keeping Members in uncertain conditions from day to day as to how long

[Mr. Speaker]

they will have to stay. We should make it a point, so far as possible, that if there is a programme arranged we should stick to that particular programme unless very exceptional and very supervening circumstances occur. If the Members want to discuss everything according to their own inclinations, I believe we shall have an unplanned life altogether.

Shri S. S. More: Has not the Government that sort of obligation?

Mr. Speaker: It is not a matter which the Treasury is deciding. The Chair is deciding that matter and the Chair has to decide it, with due consideration to the conveniences and time of all Members of the House—not merely for those in opposition but even those on the Government side. The Chair has no concern with parties in the House. It looks to the convenience of all the Members collectively.

Shri Damodara Menon (Kozhikode): This question has been raised in view of the long time taken by the Minister.

Mr. Speaker: Order, order. I will repeat again what I have stated in previous correspondence with Members or in talks. The hon. Member will see that eighteen or twenty days, I am not clear, are allotted to this discussion when usually the time allotted used to be about eleven or twelve days. That is one thing. Secondly, I had advised the hon. Members of the Opposition that, instead of selecting the whole field of governmental operations, it will be better if they select only a few Ministries, as that will give them an opportunity of a complete and thorough discussion. But for some reasons, and good reasons, they wanted to take all departments on the perfect understanding that they would not be able to do justice to the various Ministries as they would like to. But being new and in the first year, they just wanted to have some kind of a general survey of the administration and it was their choice, not my choice. Having accepted a particular arrangement on the perfect understanding that, it would not be possible to go into details of every Demand and of all sides of the administration, it is now too much to expect to have more time as days go on. It was, therefore, that I said that we have started on a certain assumption that the discussion will be summary or by just touching important points. Otherwise I would not have stopped the hon. Minister for Planning from giving all information to the House, which I believe is very important and the House ought to have it. I just only reminded him that he may touch the important aspects and that there were other occasions for going into details. I would say the same thing to the Members of the Opposition who now want a further extension of time. So far as extension today is concerned I said I have no objection provided the whole thing ends tomorrow by one o'clock inclusive of the Minister's reply. It is a question of adjustment of time on one or the other of the Demands. But further extension I think would be oppressive not from the Chair's point of view but generally from the point of view of Members.

Shri R. K. Chaudhury (Gauhati): May I make a humble submission, Sir. You were pleased to refer to the Opposition in this House. I submit that there is no Opposition worth recognition in this House.........

Mr. Speaker: Order, order.

Shri R. K. Chaudhury: One more point.........

Mr. Speaker: No, no. I am not going to allow any Member or any section of the House to.........

Shri R. K. Chaudhury: I have a grievance, Sir.........

Mr. Speaker: He may have his grievance which he may tell me in private, but he is not allowed to voice, on the floor of the House, his opinion about this or that section of the House. I think all people are entitled to equal respect; and unless we have mutual respect I do not see how it is possible to run a democracy. Whatever that may be, we are not concerned with that now.

Pandit S. C. Mishra (Monghyr North-East): I want to make a submission. We sat on Saturday last, could we not sit on this Saturday also because these two Ministries, Planning and Finance, are most important?

Mr. Speaker: Order, order. It comes to the same thing again, that is an additional day, or an additional strain, and it is bad planning where we have to change every now and then. We have a Five Years' Plan, let us have at least the five days' plan carried through.

Now on this Demand for Planning the only agreed cut motion is No. 1164. That will be under discussion. Now what time will the hon. Minister take for replying, assuming the same sort of discussion as we had?

The Minister of Planning and Irrigation and Power (Shri Nanda): We are closing these Demands at what time?

Mr. Speaker: We must close them at Twelve.

Shri Nanda: Whatever you allot, Sir. It is very difficult for me to have any choice in the matter.

Mr. Speaker: I think I shall reserve provisionally half an hour and the hon. Minister will try to curtail that time to anything like twenty minutes, but not less than that. Now, cut motion No. 1164 stands in the name of Shri Hirendra Nath Mukerjee.

Principles of Planning and the inadequacies of the Five Year Plan

Shri H. N. Mukerjee (Calcutta North-East): I beg to move:

> "That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Finance' be reduced by Rs. 100."

Dr. Krishnaswami (Kancheepuram): I crave the indulgence of the House and the attention of hon. Members opposite in particular. We have reached a stage when we have to wrestle with facts and not with fancies, with anticipations based on the unfolding of events and not on the imaginings of men in high authority. The Planning Commission has laid down in its report that at the end of five years' planning we would reach our standard of living in 1939. Many have rightly criticised it on the ground that this is a very limited objective, but I would not be inclined to quarrel with either the Planning Commission or the hon. Members of the Government if I could be certain that the first Five Year Plan contained within itself the sequence of a development for our country. In all under-developed countries it is a fundamental principle of planning that one plan should dovetail into another we cannot leave it to chance or to some happy accident for development coming into being. In every backward country, care has been taken particularly to see to it that one plan forms the basis for its successor; my main criticism of the Planning Commission's recommendation is that this plan does not form the basis for its successor and after having made great sacrifices, we would be compelled to start afresh.

Let me analyse the impact of the first Five Year Plan on three aspects of our economy. What for instance will be the effect, on employment, what will be the effect on the pattern of income distribution not only between rural and urban areas but also between the trading, manufacturing and service groups in our urban areas, and, thirdly, how will it serve as a foundation for its succession? This morning the hon. Minister for Irrigation spoke with warmth on the vision which had animated these great river valley projects and how they were intended to operate for the benefit of the country. Assuming that I am one of those who is willing to adopt a sympathetic view of the expenditure that has been incurred in the public sector, I have to ask myself—and I hope hon. Members here will also ask themselves this question: What is going to be the effect of this vast expenditure on employment? Taking into account all the facts, making all allowances for the most optimistic estimate, we would have only a palpable increase in employment. By 1956 we would have an increase of well over 20 millions, and the same old problem of pressure of population on soil will face us once more. Our Ministers would however point out that the rural sector would turn out a larger output of goods and there would be a greater amount of goods available to the farmer. This in itself is not a benefit of unmixed value; it is an ambiguous blessing and for an excellent reason. If in the urban sector we do not have an increase in income in the manufacturing and service groups, what will occur is that the rate of interchange between the rural sector and the urban sector will alter in favour of the urban sector. A farmer will have to exchange more of the goods that he produces for every unit of goods that he is able to obtain from the urban sector. This in itself is a serious factor which will have to be taken into consideration by those who are ostensibly planning for rural prosperity; apart from affecting the economic incentive of the farmer, his standard of living would be depressed; moreover this will also have far-reaching effects on the community and its development. For once the standard of living is depressed, the amount that will be reserved for assets will also be decreased. As every economist knows it is only after the building up of the assets that the savings of the community will really be made available and therefore there will be a postponement of savings to the community as a result of this development.

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How are we to get out of this morass? It is not my intention to indulge in jeremiad, though the temptation to do so is great in the depressing circumstances of the present. If the plan is to be anything like a success in the near future, some fresh revision and possibly additions to the plan will have to be made. Most of these schemes have been partially executed; in another two or three years we would have all these schemes in full operation. The time has now arrived for a review and assessment of what the plan amounts to and from your point of view if you wish to have a foundation for future economic development you must find out what steps should be taken to initiate forthwith the subsidiary industries which are absolutely essential if this Plan is to be anything like a success.

The hon. Ministers for Planning and Finance, have pointed out and the Planning Commission has also remarked in its report that these schemes would result in an increase of over 70 (per cent.) in electrical energy and that we would have by 1956 1·1 million k.w. How is this great generation of electricity to be consumed? It is not enough to generate electricity. We ought to have subsidiary industries to absorb this electricity. These multipurpose projects are a huge affair and unless and until you have consumers to utilise this electrical energy you will not be able to exploit them to optimum capacity. What are the manufacturing industries on which we should have concentrated in the early stages and which even now it might not be too late to consider initiating. We ought to concentrate on subsidiary industries like heavy chemicals, machinery for turning out machine tools, on a large scale and large scale electrical equipment. Here let me congratulate the Government on the very wise step it has taken in entering into an agreement with the International Bank for starting and developing iron and steel industries in our country. The unsatisfied demand for pig iron amounts to about 600,000 tons and is likely to be a thing of the past, once these schemes come into fruition. This is probably the one silver lining in an otherwise dark cloud. The iron and steel industries may be depended upon to absorb a portion of the electricity generated by these multi-purpose projects.

I am one of those who agree with hon. Members opposite when they maintain that in considering problems of planning, we should attempt to take not a party on partisan view, but should consider them from the larger angle of all-party interest. The hon. Minister for Finance today realises as well as we do that we have entered the lean years of finance. The prosperous days of buoyant finances are over; the cash balances have diminished; we cannot afford to dip into our sterling balances with that degree of freedom with which we could have done a few years ago. Therefore, we have to determine the steps that we are going to take to start these industries now and immediately—we cannot afford delay. There are three courses open to the Government. I do not have the time to elaborate the details as to how we are going to initiate progress in these spheres.

Firstly the idea of relying on Government investing from its funds is ruled out of court, because we do not have anything like the resources necessary to invest on a large scale. Then there is the idea of the private sector undertaking this investment. This too is ruled out of court for the same reason. If this investment could only be initiated we would have the opportunity not merely of utilising these great multi-purpose projects to the maximum, but also of encouraging further growth of subsidiary industries. Let us remember that so far as these manufacturing industries are concerned, the rate of turn-over of capital is 20 times more than what it is in other industries which are concerned with basic products, and this in itself has dynamic effects on Income, Employment and the further intention of other industries

Now the only alternative that remains open to the Government is to enter into a partnership or combination with other autonomous corporations having foreign capital and here I am trenching on very delicate ground, because I know that there is a great deal of feeling on this particular matter. But I want to ask this House and I want to ask the Members of the Treasury Benches whether in the history of any country, any under developed country, there has been an instance of any significant development occurring without foreign capital

Dr. Jaisoorya (Medak): Yes, Soviet Russia.

Dr. Krishnaswami: I am glad that this point has been raised. Even in the case of Soviet Russia, if one analyses the writings of Maurice Dobb and of Longhton, one finds that in the first five year of the plan they imported

4,000 technicians from abroad. They entered into various agreements with foreign interests abroad, but they took good care to see that there were no strings attached. They did not object to foreign aid; they did not scoff at it. The men in authority in Soviet Russia were pre-eminently realists and certainly they did not hesitate to embark on large scale investment and association with foreign enterprise where it was necessary. What is sauce for Moscow must certainly be sauce for India.

I have dealt with this aspect of the matter at some length. But there is another problem to which I should like to invite the attention of the House and of the hon. the Finance Minister in particular. After all, all these projects are coming into operation in another year or two. Many criticisms were made on the floor of this House regarding wastes and leakages that have occurred in the execution of these various projects and the manner in which expenditure was indulged in, perhaps recklessly. From the other side it was pointed out that the wastes are of an insignificant character. I do not wish to go into the question as to who is correct or whose statement of facts is correct. But whether it is waste, or whether it is expenses that are incurred, let us realise that all wastes and all expenditure must necessarily be included in the costs of the enterprise. The hon. Minister who spoke this morning pointed out that the costs of these enterprises had mounted up, not because of the Government or because of their having been negligent, but due to various other factors. It may be that the costs have mounted up due to various other factors, but today, speaking as a matter of history, they are costs which we have to take into account. The time is fast arriving when the Planning Commission would have to make up its mind on what basis it is going to evaluate costs and benefits, whether it is going to take these historical costs into account in evaluating the benefits: because, surely, when an enterprise starts operation it will have to find out on what principles it is going to evaluate costs and benefits. A good portion of these historical costs may have to be wiped out; otherwise the rates and freights for services rendered to consumers would be high. When once you decide to act thus, what provision for constituting a fund do you intend to lay down? On what principles the fund should be constituted is a matter which will have to be gone into by the Planning Commission and those in high authority.

Assuming that we wipe out a good portion of the historical costs and bring down the costs to a normal level—because, obviously, that is the first step to be taken, and if you do not adopt it, the rates charged will be high for those who use water and electricity—on what principle are we going to evaluate benefits and costs? Are we going to take each item singly and say that we are going to evaluate the benefits and costs with respect to it? If it is done on an individual basis it will not possibly work. It is a very complicated matter. How are we going to compute costs particularly where it is a matter of joint costs? Are we going to take the benefits and costs as a whole, consider them in the aggregate and then evaluate the rates to be charged to consumers. To illustrate with an example: The Damodar Valley project, if it supplies power to consumers in West Bengal at a subsidized rate, on what basis are we going to determine it? Obviously, if you charge a high rate, what little of industrial development would be attracted to West Bengal would not be attracted at all. If on the other hand a high rate for the water for irrigation purposes is charged, the peasants would suffer. These are matters which must be gone into by the Planning Commission, and which should have been gone into by this time, because already many of these schemes have been partially executed. Remember after all that if we have a haphazard method of evaluating the rate and freight structure, it becomes extraordinarily difficult later on to alter it and introduce rationalisation in our rates and freights structure. Take the Railways for instance. We stumbled into some sort of a device and later on we have been making all sorts of make-shift devices to improve the method of our rates structure. It is extremely difficult to bring order out of chaos. Once you have brought about chaos, vested interests grow up which are in favour of no change and which say that we are in the best of all possible worlds and no change need be initiated. I therefore beg of my friends, particularly those on the Treasury benches, to apply their minds seriously to this problem, because within the next year or two we must have determined on what principles we are going to evaluate the principles of charging. It is a very complicated matter, I assure you, but one which will certainly have to be gone into, because without going into it we will not have planned at all for Society.

There is another subject on which I feel strongly. I have always felt that

[Dr. Krishnaswami]

when we are embarking on such large scale socialised enterprises, care should be taken to devise a proper accounting procedure. The hon. Minister for Irrigation today was extremely angry with us for suggesting that wastes had occurred and for making 'reckless' charges. Had we devised better methods of statistical quality control, we might have been in a better position to find out what returns we were having, what outputs we were getting for the money we were putting into these various branches of the multipurpose projects. We might have been in a better position to have avoided waste.

Unless we split up these multipurpose projects, for purposes of accounting, into operational units, we the shareholders will not be in a position to know which services are being subsidised or how our money is being spent. In other words, we would not be in a position to offer that intelligent criticism so much desired by Members on the Treasury Bench. Hon. Members on the other side might ask us to be more and more responsible, without our in the least being wiser, and each go his own way without understanding the other. It is up to them to provide us with profit and loss accounts statements and balance sheets for these various operational units. If they do so, we would be in a position to find out what particular branch of activity should be subsidised. After all, we as shareholders have a vital interest in the proper execution of these great schemes, and I therefore beg of my friends to give a ear to some of these suggestions and not to turn them down on the ground that because we are Members on the Opposition therefore our suggestions should not be taken into account. I hope and trust that in the near future we would concentrate on the starting of many of these subsidiary industries immediately and evolve a proper accounting procedure and also evaluating a proper measure of benefits and costs. Only if we do this would we have a chance of making these schemes something of a gain to society. We have disagreed with members opposite on the way in which these schemes were devised and implemented in some regions. But all these are now matters of past history. Because it is what is, and not what might have been, that is of interest to us. But at least in the future, when you start these various industries, the subsidiary industries—because undoubtedly you will be driven to start them very soon—I hope the Finance Minister and his colleagues will realize that the claims of different regions have to be considered, and regional distribution and dispersal of incomes are of great moment. Should this House have an opportunity of discussing this aspect of the matter more fully, I hope I will have a chance of expressing this view-point.

Shri R. K. Chaudhury: Every dog has his day. I think I have my day today. They also say: "Praise the fair day at night". I do not know whether this day will really have day-light or end in darkness. I also remember another English proverb. That is: 'Give the dog a bad name and then hang him'. I have been already given a bad name, and I am awaiting my execution—given a bad name in the sense that I have been described by some important persons as a court jester and playing the role of a court jester. Who the court is, whether it is a section of the House here or somebody else in the Ministry, I do not know. But I say this. If any hon. Member or any responsible gentleman will care to read my speech, he will find that it is not in any jest that I say things but that I say the most serious things. Some hon. Ministers appreciate and give a fitting reply. The hon. Minister for Commerce and Industry gave me the honour of giving a sympathetic reply to my points. The hon. Mr. Jain entirely ignored me though I repeatedly asked him and begged of him to say something about the refugees in Assam. I do not know if in this House there is another Member as old as myself, as old as myself in the sense of one who had the Calcutta University as his *alma mater*. If there is any one here of my age, who comes from the Calcutta University, he must have read a book called the Citizen of India by Lee Warner.

Shri Dhulekar (Jhansi Distt.-South): I come from the Calcutta University.

Mr. Speaker: Order, order.

Shri R. K. Chaudhury: It is written there, if any part of the body politic is hurt, or is swollen, if a finger is hurt or swollen, the whole body will suffer. I wish there were somebody in the Ministries who had read that book Citizen of India. If there were any, they would have understood that......

Shri Syamnandan Sahaya (Muzzaffarpur Central): Pass on a copy.

Mr. Speaker: Order, order.

Shri R. K. Chaudhury: ......if Assam goes to the ring, if Assam is in danger, if Assam is starving, the whole of India must pay for it in some way or other. I am appalled at the ignorance about Assam not only in this House, but also outside. Many people do not know whether Assam is a district or whether Assam is a town. Many people here would not be able to say where Jorhat is, from where my hon. friend the Deputy-Minister comes and from where my hon. friend on my left, at one time a Member of the A.I.C.C. comes. I only beg of the hon. Members of the House to make themselves more interested in Assam so that by taking more interest in Assam, they may also save India.

Talking of Assam, I may tell the House that Assam is in the North-eastern frontier. Even during the British days, the North-west frontier was taken much care of with the result that the North-eastern frontier was ignored. What was the result? The result was that in the last war, the North-eastern frontier became entirely exposed to enemy activities and the enemies came as far as the Naga hills. But for the timely co-operation of the people of the locality, the whole of India up to Bihar would have been in the hands of whom they called enemies at that time. I want the present Ministry, I want the present Members of the House to take interest in Assam and try to give some attention and some funds to Assam. In doing so, they will avoid a danger which is coming, which is not far off, and avoid the danger or the necessity of protecting India through the frontiers of Assam.

The main theme to which I wanted to draw the attention of the hon. Minister is about the tea industry of Assam which is nearing annihilation on account of, as the tea industry people say, the introduction of the Minimum Wages Act. The hon. Minister must have had a copy of the representation which the Tea Association has made. It will interest this House to know that there are about thirteen lakhs of labourers in Assam in the tea industry. Of these thirteen lakhs, 99·5 per cent. come from the rest of India. The bulk of the labourers comes from Bihar; about a half. The others from Chota Nagpur and Orissa.

Shri Syamnandan Sahaya. Chota Nagpur is in Bihar.

Some Hon. Members: Jharkhand.

Shri R. K. Chaudhury: That is what I was saying. Chota-nagpuris do not call themselves Biharis; they call themselves Chota-nagpuris. The interests of these thirteen lakhs of people will be terribly affected by the closing down of the tea industry which they threaten to, on account of the fact that they are not able to carry on the industry any longer. If this tea industry is closed down, then, the whole economy of the province of Assam will be upset. It is true that only barely about 10,000 people are actually directly interested in the tea industry in Assam: middle class people etc. who are employed in the tea gardens. But, then, the whole trade will be seriously affected; the peasants will be seriously affected because they supply rice to the tea estates, and a sort of chaotic conditions will prevail if the tea industry is not saved. I would ask the hon. Minister to consider how they are going to find employment for these thirteen lakhs of labourers if the tea industry is closed down. I cannot ask the hon. Minister for Labour to reduce the minimum wages or not to make the Minimum Wages Act applicable to the tea industry. I do not say that because that might affect the interests of the labourers concerned. But, I say that this Government can very safely reduce the excise duty which is imposed on that article. It will interest the House to know that of the four countries which are on the International Tea Committee, namely, Indonesia, Ceylon, Pakistan and India, three countries have reduced the duty. Indonesia has no excise duty on tea. Ceylon and Pakistan have already reduced their excise duty. I would ask the hon. Minister to consider whether he could not immediately do away with the excise duty so far as tea is concerned, at least for a couple of years, by which time the tea industry can rehabilitate itself.

Shri B. Das (Jajpur-Keonjhar): The Minister for Planning or the Finance Minister?

Shri R. K. Chaudhury: Any way; call the rose by any name; it will smell as sweet.

Another point which I should like to bring to the pointed notice of the hon. Minister concerned, whoever he may be, is that on account of recurrence of floods and earthquakes, particularly in the tribal areas of Assam known as Upper Assam, the whole country has been practically denuded of all sorts of cultivation and communication with the rest of the province has been cut off. It is impossible for the poor Government of Assam, all whose funds have been withdrawn by the Government of India, and all

[Shri R. K. Chaudhury]

whose gifts have been withdrawn by the Government of India......

Babu Ramnarayan Singh: Why so?

Shri R. K. Chaudhury:......and the promises that were made have been withdrawn by the Government of India, I may tell the hon. Finance Minister and this House that it is impossible......(*Interruption*).

Mr. Speaker: If the hon. Member does not mind the interruptions and if the hon. Members also do not interrupt the hon. Member's trend of arguments, he would be able to finish all his arguments in time.

Sardar Hukam Singh (Kapurthala-Bhatinda): He provokes them.

Mr. Speaker: Order, order. I am sure he is provoked many times.

Shri R. K. Chaudhury: Sir, patience is a great virtue, and I would advise hon. Members to cultivate that virtue so far as I am concerned.

Sir, I wanted to say this, that far from giving any substantial help in that matter, the Government of Assam is unable even to survey the extent of the damage and the extent of the assistance which will be necessary. They have not employed those expert people who would be able to do that, nor have they the means to pay for those experts. As the hon. Minister should know to his cost, the experts get salaries and allowances more than what the hon. Ministers themselves get. So, it is difficult for the poor Government of Assam to find a way out. Now, I would ask the hon. Minister to consider whether he cannot give immediately a substantial amount so that this work can be done. I am sure the hon. Members of the House who have already felt 50 per cent. sympathy for Assam will not grudge if some share of theirs is taken away and given to us. I should say the Centre may starve some other places and give it to us, because this is a very important matter and we are all concerned with it.

Shri Syamnandan Sahaya: Bihar is very sympathetic.

Mr. Speaker: Order, order. Let him go to the next point.

Shri Syamnandan Sahaya: He would not, Sir, in spite of us.

Shri R. K. Chaudhury: Then I come to the question of petrol which is produced in Assam, *i.e.*, at a place called Digboi, from which the Government of India takes about rupees three crores as revenue. What do the Government of Assam get in return for it. The wells are being depleted every year. It may be that after a short time, the wells will be exhausted entirely, but how has the Government of Assam or the people of Assam been benefited by this. In income-tax as well as excise duty nearly rupees three crores is taken. What do they get in return? Shall I tell you, Sir, what we get in return? We pay for petrol rupees three and annas two per gallon in Assam, in Dibrugarh which is 60 miles away from Digboi, whereas in Delhi we are getting petrol at rupees two and annas twelve. This is what we are getting for having that petrol in Assam. Questions have been asked in this House and this has been admitted. That is the way Assam has been treated by the Government of India. That should not be the way. The way must be changed and first priority should be given to Assam, not only in the interests of Assam, but of the whole country.

10 A.M.

If there is any cinema goer in this House, I would ask him to go and see the pictures, the news reels today, and there he will probably see Assam, the people of Assam, how they work. He will see a large number of Khasi ladies there in the pictures and he will be impressed by seeing them. He will know that they are not worse than or in any way inferior to the people of the rest of India. There if you see the tribal people working, you will realise the dignity of labour. Even the Chief's daughter will go to the market and sell things. The so-called uncivilised people are not uncivilised as a matter of fact. They are willing to work, they are willing to stand on their own legs if they can. They have been trying to do that. There was lack of sympathy on the part of the British people. There were some eminent Britishers such as Dr. Hutton, who were unwilling to see the Nagas dress themselves. He wanted to keep the Nagas as they were, naked. He wanted it. He said he wanted to preserve them for the museum of the world. That was the spirit in which they worked in the past. Will that be the spirit in which the present Government of India will work? Will that be the spirit? I submit, I am not a tribal myself, though I look every inch like one, but I say this in all seriousness that the problem of Assam is infinitely bound up with the welfare and the interests of the tribal people. Do not think of the other Assamese like me or any of my kind, but think of the tribal people because they are the concern of the Centre. Try to improve them. Give them roads. They have no roads, you cannot go to them. The average Minister who is not quite young, will, like my hon. friend Shri Jagjivan Ram, find it very difficult to go and see them. So I submit give them roads, give them food, give them employment. They are willing to work, they do not mind even what you call manual labour. They do not mind it. Please try. I do beg of you—I have every right to beg, though begging has been imitated by my so-called opposition friends—I beg with all sincerity that you try to improve the lot of the tribal people, and if you improve the condition of Assam, you will ensure the security of the country, because the tribal people live on the border.

Shri B. C. Das (Ganjam South): I am all for planning. Specially for India, planning is very vital. It should be the pivot on which should revolve our national endeavour. I hope all sections of the House realise that India, a country for centuries under the iron heels of imperialism, deliberately kept away from the main current of progress in the backwaters of medieval stagnation, needs conscious, deliberate and planned effort to overcome the lag of centuries. Hence, planning is very vital for our national being.

But what does the Five Year Plan sponsored by the Congress Government offer us? That five years of earnest national effort may take us to the pre-war era of production and consumption on condition that certain of its assumptions are found to be correct which recent developments show are not likely to be as things move on today.

Naturally one would pause and ask: Are we destined to suffer the same economic backwardness, the same economic plight which we suffered under imperialism which we resented, against which we revolted? And if the logic of the authors of the Plan is correct, then, no backward country, no undeveloped country can hope to reach economic ascendancy, economic development because they say that we lack technical knowledge, we lack finances, therefore we have to mark time, we cannot march ahead. We have to take alms from the hands of the imperialists who for centuries kept us in bondage and who were responsible for our economic degradation and national poverty. But we recently heard from those delegates we sent to China that China, a country which for a long time was cock-pit of civil war and international aggression, is rapidly progressing in the modern world, and entirely with Chinese help and Chinese labour, could within six months construct huge dams without the aid of foreigners. This is what we are told. What China could achieve, cannot we Indians with the same tradition of patriotism, with the same tradition of national suffering, national sacrifice and aspirations, achieve if we are given the same chance, the same opportunity, if the same atmosphere is created today?

India remains an agrarian hinterland of imperialism. India can attain economic independence if she is economically developed. We all know a country becomes a happy hunting ground of imperialism, of exploitation by imperialists, if it remains industrially undeveloped, industrially backward. But what does the Plan suggest? In the name of agriculture industries are relegated to a remote background. I am not posing industry as against agriculture. For national improvement, we require both agricultural and industrial improvement. Both are interlinked. But we cannot sacrifice the one at the altar of the other. If the industries are relegated to the background, India will merely remain a hinterland of economic exploitation by the imperialists. We are told with great gusto that out of the 1,500 crores budgetted by the Plan, 640 crores of rupees are to be devoted to agriculture, rural development and construction of irrigation projects. On the basis of this money and irrigation projects and together with them, the Plan proposes to put Indian agriculture on the rails of co-operative land ownership and farming. But unfortunately there is neither novelty nor any originality in these proposals. Under the British *Raj*, sums over Rs. 115 crores were spent on irrigation—canals, having a total length of 58,000 miles and irrigating over two and a half crores acres; crores of rupees were spent on rural development, co-operative credit societies were pushed ahead in all pomp and grandeur. But did these help to make cultivation more profitable? They did not. All of us know that the Indian peasant to-day is much more indebted than his great grandfather, his holdings are smaller and more fragmented, and more uneconomic. We have a larger mass of famished, pauperised, and dispossessed peasantry than before, and our national food production has been on the decline.

The co-operative credit movement instead of becoming the weapon of the

[Shri B. C. Das]

peasant to fight the *sahukars*, has been exploited by the *sahukars* themselves to fleece and dispossess the peasants. For a quite number of years, before the Congress came to power, we started importing food every year to the tune of 15 lakhs of tons. I am afraid, the Congress Government is today following the same discredited British path without drawing lessons from its failures. The difference is that instead of spending Rs. 115 crores, the Congress Government is going to spend Rs. 640 crores. To the co-operative credit system, it is going to add co-operative land ownership and collective farming, and how are these co-operative societies to be run? We are told that all workers, owners and non-owners, will be paid on the basis of the work done by them and at the same time, land owners among the co-operative farmers will be paid compensation in the form of ownership dividends at each harvest. According to the Plan there is also provision for absentee landlords to get their dividends from such societies.

[MR. DEPUTY-SPEAKER *in the Chair*]

The Plan suggests that the system of co-operative village management may be introduced in any village where at least two-thirds of the owners, or permanent tenants holding not less than half of the land cultivated in the village express their preference in favour of the adoption of such a course. In such an event, the system would apply to the entire area of the village. It will be seen that half of the cultivated land in the village is owned by an insignificant and microscopic minority of rich peasants and landlords, and if they so choose, they can force the majority of the poor peasantry to join them in collective farming. Ask any peasant what collective farming would mean with zamindars and capitalistic farmers retaining the lion's share and with the rural moneylenders and *banias* still ruling the roost in the villages. The result will be these big sharks will gobble up the few patches of land still left with the peasant and cast him on the village dunghill to rot and die. In this instance, consolidation of holdings and introduction of scientific methods of cultivation mean nothing but unemployment for vast sections of the peasantry. The vast sections thrown out of employment will have no alternative job in the absence of any large industrialisation in the country. When there is no scope or provision for industrialisation, collective farming under the present set-up will mean unemployment to the peasant And the Plan suggests that meagre a sum of Rs. 15 crores will be spent on cottage industries and urban small scale industries, which will be inadequate to solve unemployment. We know that so far as the record of this Government goes, it has been a record of failure, and all their plans have met only with sorry failures. We know, to improve agriculture several plans were prepared before by the British, many commissions were appointed, all of them failed because all of them ignored the basic issue of the land which is in such a condition that a feudal system is operating. Unless this feudalism goes, unless the land is distributed, unless the land goes to the tiller, and unless the tiller becomes the owner of the land, there is no chance of any improvements in our agricultural economy. This should be borne in mind. Only when the man who holds the plough realises that the land belongs to him, and that he is the master of his acre, he can put his shoulder to the national wheel and work for national reconstruction. Unless that is done, his privation will be there, the master's whip will be there to throw him out at any moment, as a destitute without any alternaitve employment.

Unfortunately, the authors of the Plan fail to diagnose the root causes of the economic malaise, and try to tinker with the problem. They have said that we have no finances, but the Advisory Planning Board is of a different opinion. We know that if we work in the right way India will mobilise enough finances for national reconstruction. Confiscation of the capital of the British industries will yield enough money to industrialise the country. We have had a number of tax evasions, and if super-profit and excess profit taxes could be collected, we could also get much money. Then the income-tax arrears also have to be realised. There are economists and nationalists who bring facts and figures to prove that we can garner sufficient capital. If patriotism could be roused into action, we can get the resources necessary for an overall industrialisation of the country. In such circumstance if we require foreign capital, it will come in our interest. We should bear in mind that the backwardness of India and the destitution in the country are not due to the lack of foreign capital, but is the very result of exploitation and oppression by foreign capital. Lack of knowledge and skill is not the cause but the consequence of inability to develop an independent economy in the country. Paucity of capital accumulation is not due to lack of foreign capital, but because such capital is there, in abundance and is being utilised to exploit the people and does not help the development and economic independence of our country, because capital accumulation is drained out of our country, because land monopoly of feudal lords impoverishes the peasantry, ruins the peasant and ruins our entire economy. The Plan ignores this vital truth. After the abolition of landlordism, and the ownership of the land by the tillers, enough capital will be forthcoming. But the people have to be taken into confidence, conditions should be created for their co-operation only then we can make great strides in our national economy. Recently backward countries have rapidly progressed. The Government say that they want to achieve marvellous things. They have to take India out of the mud-pond of medievalion with the help of the masses. But how can they? Theorists often try to apply what has been done in America and other industrially developed countries to India. But our conditions are different. Such things will not yield any result, unless we try to learn from example of backward countries, which have made rapid progress in recent times.

Mr. Deputy-Speaker: The hon. Member's time is up. The bell is rung two minutes before the limit, and within this time, hon. Members should try to wind up their speech instead of starting something new. I give two minutes in advance. From then I ring the bell and the hon. Members must wind up and not start a new theme.

Prof. Agarwal (Wardha): We all know that the modern age is the age of planning which embraces almost all aspects of our lives. Although the idea of modern planning originated with the Five Year Plan in the U.S.S.R., planning has spread now over the whole world in all democratic countries. There are people who doubt whether planning could succeed without totalitarianism, but I am one of those who strongly believe that democracy is eminently suitable to economic planning, and I take this opportunity of congratulating our Prime Minister for giving a lead to this country in this idea of planning, first as Chairman of the National Planning Committee and then as Chairman of the Planning Commission. I also congratulate our Planning Minister for producing a really valuable document in the form of the Five Year Plan and I regard it as one of the most important documents on planning not only in this country but in other countries of the world. Therefore, when I make a few suggestions it is only in the spirit of constructive criticism, because I feel that this Parliament after the first general elections ought to make some sincere and concrete suggestions in order to see that our first Five Year Plan really enthuses the people.

The first point that I would like to make is that more emphasis should be given to the problem of full employment, and what is more, under-employment. The Constitution has guaranteed as one of the fundamental rights that all citizens, men and women in this country, ought to be guaranteed adequate means of livelihood and there must be the right to work. In the Five Year Plan undoubtedly they have realised the necessity of providing for full employment, but they feel that the problem is too stupendous and perhaps they may not be able to tackle it. I would submit in all humility that planning without providing for full employment would be almost futile. All countries of the world today admit that full employment must be our goal and although the problem is stupendous, the success of our Plan would depend on bravely facing the problem and surmounting it. According to the latest figures, our population is now 357 million, of which 249 million are engaged in agriculture and about 107 million engaged in non-agricultural occupations. We all know that all our agriculturists suffer from forced idleness for several months in a year and unless we carry work to their doors, in their own villages, it will not be possible to provide them with adequate means of livelihood, because agriculture is not a full-time occupation. Therefore, our need is not to set up large-scale factories in the cities but to set up small-scale village and cottage industries in the villages themselves, so that when the villagers are free from their agriculture they may turn to these subsidiary industries and add to their meagre income.

The next point that I would like to touch is about food self-sufficiency. In the Plan it is visualised that we will require food imports to the tune of about three million tons for several years to come. I must take this opportunity of warmly congratulating our new Food Minister for taking a bold step and facing this problem in right earnest in a realistic way, and I would urge with all the emphasis at my command that food self-sufficiency should be regarded as an integral part of national defence, because unless we are self-sufficient in the primary necessities

[Prof. Agarwal]

of life, it will be very difficult for this country to tackle the situation, if unfortunately war bursts on the world once again. I would point out in this connection that the Government should follow a proper price policy. Reference has been made in the Five Year Plan to the price policy and they have emphasised on that. But I will give one instance. In spite of our earnestness to increase food production in this country during the last year, near about three lakh acres of land have been diverted from foodgrains to sugar, because more encouragement was given to that industry; and now the problem is that we have too much of sugar in the country. All that land was diverted from foodgrains. I would urge on the Government to follow this price policy very cautiously to see that every inch of land that is required for food and that could be utilised for food is utilised in that manner.

Then I would touch on a very important problem and that is the problem of land redistribution. In the Five Year Plan I must say that the whole idea of agricultural development and the emphasis that has been placed on agricultural development is very welcome, and the Five Year Plan differs from the previous plans in this that while the previous plans gave more importance to large-scale industries, our Plan gives more emphasis to the villages and agriculture. But I would humbly submit that while fixing the pattern of land redistribution, we should take care to see that the land hunger of the peasant is fully satisfied. I must congratulate in this House the eminent efforts of Acharya Vinoba Bhave in this connection for rousing the consciousness of this country to the urgent need for land redistribution. There is in all countries great hunger for land—and I think a very legitimate hunger—and in this country although the land may not be available to a very great extent—I know that even if we fix ceilings the land available for redistribution will not be of very great quantity—it will exercise a very great psychological influence, and even if only some lakhs of acres of land are redistributed, it will enthuse the people and they will feel that something real is being done to them for their welfare. I do not say this only as a matter of sentiment. I say it as one who has had the opportunity of studying all these problems of planning during the last ten years; there are several economists—I have no time to quote them—who have stressed this problem. Professor Vakil in his latest book "Planning for a Shortage Economy"—he belongs to the orthodox school—has also sounded this note of warning that in this country first let the land hunger be satisfied, let us not try to hurry for (6) co-operative or collective farming and once we satisfy that hunger we can have all ways of co-operation of resources. We should try to pool their resources rather than to pool the land.

There is a remarkable book recently published by Professor Mitrany called "Marx against the Peasant" and in that book he has shown how even in the eastern countries of Europe where Marxism has tried to convert small-scale farms into collective farms and large-scale co-operative farms, even there the movement has not succeeded and small-scale farms persist and persist successfully. The small-holding economy has succeeded there on account of intensive cultivation.

There was an article in "The Manchester Guardian" by Malcolm Darling, who was well known in Punjab during the pre-war days, and there also he draws our attention to the fact that even in Yugoslavia, where attempts were made to collectivize and to have co-operative farming on a voluntary basis, it has not succeeded, and five out of six peasants have not (7) taken to co-operative and collective farming. I would therefore urge the Planning Commission to reconsider the whole land problem *de novo* and if possible, try to see that we do not make the same mistakes as have already been made in other countries. In China and Japan also, small scale production has succeeded. The average holding is only about two and a half acres there, but through intensive cultivation they are producing two or three times as much as we do. If we concentrate on intensive cultivation on these small holdings as much as we can, I think we shall be able to tackle this very important problem in the right manner.

Let me also take this opportunity of drawing the attention of this House to the very important problem of education. We say that a new State should have a new flag. But we also say that a new State must have new education. And it is rather unfortunate that for several reasons, partly financial and partly other, we have not been able to revolutionize our educational policy during the last four years, and I plead with all the emphasis at my command that basic education as visualised by (8) Gandhiji ought to be given the fairest trial in this country. It is not sufficient merely to open a few basis schools here and there and try to please the public; it is necessary that basic education becomes the very foundation of our whole economic structure in this country. During the tour that I undertook two years ago, I could say with all the information that I got that in no country in the world an experiment of immense potentialities like basic education has been tried. I met many educationists during that tour on the Continent and in America and in the East, and they all said that basic education had immense potentialities and it would create a revolution not only in this country but also in other countries of the world. I plead that this system should be given the fairest trial on a very wide scale.

Then more emphasis in the Five Year Plan ought to be given to audio-visual education. By that I mean that we should try to concentrate on preparing educational films. I must say that the type of modern films that we have in our country today is most unsatisfactory. They are not only uneducational, but they are positively vulgar in many cases. We must take note of that as educationists and we must produce the right type of films, because these films exercise a very far-reaching influence on our new generation.

A word about the community projects. I must say that the idea of community projects is very welcome, because it touches millions of people in this country. The draft outline that has been circulated to us is good in many ways. But may I say that more attention should be paid again to the village and cottage industries if full employment has to be provided. And the other point is that we should try to enlist non-official help from the very beginning. I suggest that it will be worth while in this country to call a conference of non-officials, as a conference was recently convened for tribal matters, on this very important problem of village reconstruction. In this country under the guidance of Mahatma Gandhi ever since 1920 there are many people who have buried themselves in this work, and they are doing this work even now. We must try and take them into full confidence from the very beginning. It will not be of much use to approach them when we have finalized our Plan.

I will only make one more suggestion regarding the Five Year Plan and it is this. Much of planning and the success of it depends on popular enthusiasm. As Professor Lewis said in his "Principles of Planning", it is not only the lubricating oil but the petrol of planning which can make every impossible thing possible. And in order to enlist that co-operation, we should try to create a psychology in the people for this new Plan. In some of the countries of the world I saw that every corner, every street, in those countries was full of propaganda, and every one feels that he has some mission, and that he has also to fulfil his quota in making the Plan a success. We are told that the Five Year Plan has already started. They say that one year is already over. That seems to me perhaps not a right way of beginning a Plan. This most important Five Year Plan, which will soon be finalized, I think, ought to be inaugurated in a proper manner. I suggest that the 15th of August, our Independence Day, ought to be selected for inaugurating this Plan formally, so that on that day meetings would be held in every nook and corner of the country and the provisions of this Plan would be explained to the people. Public enthusiasm must be aroused and their co-operation enlisted. The *Bharat Sevak Samaj* which has been started is a very useful institution, and if it is properly organised and if mass psychology is harnessed to this purpose, we will really be able to achieve great results during the next Five Year Plan.

Shri Damodara Menon: We in India have been thinking in terms of planning for some years now. The idea of planning came to the forefront when the Congress appointed a Planning Committee and prepared a plan and placed it before the country. After the war there were many attempts at planning, and even the industrialists of Bombay produced a plan. Now the Government of India have taken up the idea of planning, and their first Five Year Plan is before us.

When we examine the Plan that is placed before us, we have to scrutinise it from the standpoint of the definitions which the Planning Commission itself has given. On page 3 of the Report the Commission gives the following definition of planning:

> "A national plan is an attempt to pool together the resources available to the community as a whole and to direct them in a manner that will secure the social and economic objectives accepted by it."

Now there are three main ideas in this definition. The first is that the Plan must have a definite social and economic objective. The second is that it must embrace the community and the resources of the community as a whole. And the third is that these

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resources must be directed towards the objective that is in view. Let us examine the objective. What exactly is the objective which the Planning Commission has placed before us? I am sorry to say that in this respect the Planning Commission's report is really disappointing. I am not unaware of the fact that they have referred to the directive principles and have attempted to base their recommendations on these directive principles. But very pertinent questions come up before our mind. What exactly is the shape and the nature of the society and the economic order that you want to bring about in this country? That must be very definite and clear. Do we stand for a centralised economy or a decentralised economy in our planning? If we are thinking in terms of a centralised economy, then our ideas must undergo a change. Or, if we are thinking in terms of a decentralised economy, we will have to plan according to that idea. My own fear is that the Plan has not accepted unequivocally the idea of a decentralised economy. I stand for a decentralised economy. At one time the Congress also stood for a decentralised economy. I want to read here one or two recommendations of the Report of the Economic Programme Committee of the All-India Congress Committee. In the chapter on 'Industry' that report says that industries producing articles of food and clothing and other consumer goods should constitute the decentralised sector of Indian economy and should as far as possible be developed and run on a co-operative basis. Further they say: "The respective spheres of large scale, small scale and cottage industries should be demarcated as clearly as possible to avoid economic insecurity and destructive competition." I want to ask our planners whether they have really defined the respective spheres of large scale industries and the respective spheres of small scale and cottage industries? Here it is also mentioned very clearly that food, clothing and other consumer goods must constitute the decentralised sector of our economy. Now are we planning like that? And in this private sector of agriculture as well as industry they have not clearly formulated their planning. They have not placed anything which we can consider to be planning for this country. It is true that they have placed before the country some projects. Here also there is nothing new. They have merely catalogued what has already been there and they have placed it as a Plan before the country. But if you really want to create a new social and economic order, you must accept these principles and lay down clearly what spheres the small scale industry will occupy and what the large scale industries will occupy. Without that we will be going in the way of an unhappy competition and there will not be proper industrial development in this country.

Now I come to the second point in the definition of the Plan which the Planning Commission has given. It says that the Plan must embrace every sphere of our national activity or resources of the community must be directed towards the attainment of the objectives. Now my fear is and as my hon. friend Prof. Agarwal has pointed out that in future really if you are going to utilise both the material and the human resources of this country, you must think in terms of full employment. Now what is the definite plan which the Planning Commission has placed before the country for full employment? They say it will be done at a future date. But even today it must be possible for us to embark upon schemes which will attract the enthusiasm of the people and also give employment to all our under-employed and unemployed people. It is a fact that not only uneducated people and peasants and workers, but also hundreds and thousands of our educated people are today unemployed. Our colleges and schools are turning out in thousands young men whose intellect has been trained. But they come out with a sense of frustration and they do not know how to occupy themselves or how to render service to the country in the manner which they desire. I was reading a report of the League of Nations the other day. The commission which went to Italy and Germany after the first world war found thousands of young men coming from the Universities were suffering from a sense of frustration. They did not know what to do. When they came out they were sure that they would not have any unemployment. Therefore they found in those Universities the germs of revolution. They gave a warning that there would be a revolution in the country. Today our young men coming out of the colleges are having the same sense of frustration. I want to ask the Planning Commission: Are you having the sense of urgency that this problem requires? Your ideas of full employment are really vague. Of course there are references in the Planning Commission but no definite plan is placed before the country. The Planning Minister may refer me to the community project. The community project is of course there and about 50 or

60 village centres may be opened. But I want to bring this idea home to the Government that if they take here and there a few villages or some industries here and there, that will not solve the problem of unemployment. It can only be solved by full employment of the people. Every village must be organised and planning must be based on sound lines. We agreed at one time that in our villages there must be village *panchayats* and these *panchayats* must take the initiative in planning their resources, their production and even their distribution. Are we having such a plan throughout India or are we limiting it to a few centres only? If you are doing that you are having a programme of wait and see and by the time your community projects embrace the whole of India, the people will suffer from frustration and so much of our human resources will go waste. Therefore, the problem of utilising every resource in the country and especially the human resources must be tackled with more earnestness and in that also I find the Planning Commission's Report is not satisfactory and it has failed.

Now I come to the last point. When we think of directing these resources to the objectives in view we are thinking in terms of the machinery that we must have for executing our plans. In the private sector as well as the public sector the Government have some machineries in view. I do not want to go to the public sector because that point has been debated at length here, but I want to point out that in the private sector even though they have no definite plans, the machinery they contemplate for initiating or executing such plans as they have in view is really defective. They are thinking of the old bureaucratic machinery. They have nothing more to offer. They want the people to be enthused. They want to mobilise popular enthusiasm and put it to the purpose of executing our plans and for that the old bureaucratic machinery is the only thing that the planners of India can conceive. Now in this community project which really is a decentralised project there must be proper machinery to execute the plan which the Government have in view. They are thinking of the Collectors as the main executive machinery. I shall read what they say in this connection:

> "Reorganisation of the machinery of administration into rural development machinery will take time. In the district important duties will rest on the Collector who will have to co-ordinate all the development departments."

Further they say:

> "It is needless to emphasise the role of the Collector in this organisation. Results will depend on the extent to which he takes interest in and accepts the responsibility of the programme."

The Collector is a heavily worked officer. As we know, he is in charge of law and order and most of the administrative work of the Government. All those functions still remain. Today he is in charge—and often the President—of four or five or even ten or fifteen committees. He is the President of Prohibition Committee. He is the President of the Well Digging Committee. He is the President of Welfare Committees and what not. I do not want to enumerate all these committees. And this man today has to look after the rural development schemes. He has also to receive Ministers and arrange all their tours. I am asking: Is he a super man to execute all these plans? He must be a super man to do so. We do not want such supermen. You are placing on this officer many additional responsibilities. He will not be able to give the necessary attention and time to our planning. Again you have an Advisory Committee consisting of the Secretaries of the Central Departments. I have no quarrel with these Secretaries. They are good men and true. But where is the time, where is the knowledge and where is the heart and the mind in them to apply their whole time to the task of developing these community projects? Why do you burden these people who are already over-burdened? You will not be able to progress even one inch in that way and your Plan will ultimately fail. It is true the Planning Commission has devoted considerable thought to the preparation of the scheme. They say they have devoted considerable thought to the technique of working out and presenting a Plan appropriate to the conditions of India. I am sorry that much of this thought has been a waste. It has not been directed through the proper channel, it has not been directed towards the creation of the necessary conditions that will really give this country that kind of economic and social order which we all desire and which we dreamed of when we were fighting for freedom in this country. Therefore, I say in unequivocal terms that in the formulation of their objective, as well as in having plans and programmes which will mobilise the entire resources of the country and in devising a machinery capable of executing these programmes with the

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wholehearted support of the people the Planning Commission has failed.

Shrimati Maydeo (Poona South): Sir, I thank you for the opportunity given to me of congratulating the hon. Minister for Planning for undertaking the tremendous task of helping our village folk through these community projects. When we come across the public at large we find illiteracy, poverty, lack of self-respect and self-confidence prevalent, and I feel that some such effective and strong measure is necessary to fight these evils. There are going to be 55 projects all over the country and nearly 72 small units will be started soon. The community project plan was prepared by Shri S. K. Dey who had very successfully carried out the experiment at the township of Nilokheri. This year the Central Government will allot Rs. three crores as subsidy and grant Rs. six crores as loans and the States on their part will spend something like one-fourth of the expenditure on these projects. The basic principles which will be followed in these community projects will be as follows. Agriculture will be attended to first and intensive agriculture and improved agriculture will be taken up in the very beginning. Then communications, education, health, training, employment, housing and social welfare will be the other items which will be taken up. It is also said:

> "The plan is based on certain experiences. As these grow, there would perforce be amendments.....
>
> This Draft Outline is being issued to serve as an interim document for reference till such time as a precisely worked out programme can be formulated based on the pooled experiences of the various States in India......"

That means that this Plan may undergo a little change after experience obtained this year when all the community projects will be in full progress. But here I would like to suggest one or two things. In Bombay we have already gone ahead with similar work and we have started about 27 *Sarvodaya* centres all over the State which have been working for the last three years. I am glad to say that I have the opportunity of running one *Sarvodaya* centre in Poona District for the last two and a half years. The name here is "Sarvodaya" and not "Community Project", so the basic principles followed are a little different. I would suggest that some changes should be made in the community projects towards this end. The basic principles followed in the *Sarvodaya* centres are: Equal opportunity to all, no exploitation based on wealth, caste or religion, the most oppressed to be attended to and cared for first, character building, inculcating the co-operative spirit, removal of untouchability, economic uplift, better farming, better cattle breeding, poultry, education, health, cottage industries in keeping with the natural resources of the area, impressing upon the villagers the importance of a daily bath and the use of latrines, preservation of manure, and abolition of scavenging as a profession. We try to work on these lines and I must tell the House that I have in my centre succeeded to a great extent in all these directions. But these community projects will be tackled by all the departments and only officials will go to the people to carry out the work of providing roads, hospitals, schools, wells etc. so that I am afraid whether we will succeed in these projects as we wish to. The experiment at Nilokheri succeeded because the people there were displaced persons who had come to a new part of the country, people who had come without any social customs, without any ancient traditions, without any religious beliefs. They had left everything behind in Pakistan and were here with an open mind prepared to accept anything which would give them peace and happiness and a place to live in. But as regards our villages it is quite a different position. We have to fight all their beliefs and traditions and social customs which stand in the way of progress. Government by itself, with the aid of officials, cannot tackle the problem of these community projects. It is essential that an equal number of social workers should also be enlisted to go from house to house enquiring into the difficulties, wants and misfortunes of these poor people and try to solve those problems. The most oppressed should be the first to be attended to because while those who are in greater numbers can take care of themselves, those in a minority cannot do so and Government should look to them first.

It is described in the community project scheme that it will take three months for conception, that is for intensive survey work, six months for initiation, that is for housing the staff, establishing roads, etc., and eighteen months for operation which will be carried out at top speed. But if the people are not going to co-operate how are we to progress? I understand that all the States have chosen their areas and that the work will start within two or three months. But I do not know whether the people in those areas understand what these community projects are going to be or how the people are going to be helped, or what their position is going to be after three years. Unless they are convinced that it is for their good, that there will be no favouritism, no red-tapism and no loss of time, they will not readily come forward to co-operate I therefore want to make a suggestion. Even though the community project areas have been chosen this year, as some more projects are going to be started next year we can follow another method in choosing the areas for the future community projects. What we should do first is that we should approach the villagers and organise meetings. We can take the publicity vans with documentary films where people can collect in large numbers and show them what we are going to achieve through these community projects. Then they will understand the whole scheme and co-operate with us and agree to give their labour free or at half the remuneration. We can select such areas where we are likely to get the maximum co-operation from the people. Then and then only I think, we can succeed in three years. Otherwise what will happen is that the allotment for buildings for the staff, hospitals, tractors, jeeps, etc., will be spent away and the allotment under roads, wells, adult education, etc., would lapse. So, the first thing that we must ensure is the co-operation of the people.

The Plan envisages Government spending only one-third of the expenditure; for the other two-thirds they expect to get free labour from the people. The villagers are poor already; they do not get enough for their daily bread. If we ask them to work free, though it may be for their own good, they may not willingly agree to it. When we see their pitiable condition, it would be injustice on our part to expect them to give us free labour.

What I feel is that our approach to the project should be rather different. The scheme is very nice and if it is approached on proper lines we can work wonders. I can say from my own experience that I have achieved progress in removing untouchability, building character, inculcating co-operative spirit and bringing about economic upliftment and I have been able to succeed to raise their economic level not through Government money or by confiscating money from the rich and distributing them to the poor. I have helped them to produce wealth from nature, natural resources, and I have been able to distribute Rs. 6,000 in fourteen villages within the last two years; and Rs. 700 was the profit of their co-operative society. Many a time I feel like asking my friends on the right: Is there no mid-way between capitalism and corrective labour? Can we not aspire high and say that we are not going to make all only workers but we are going to make them civilians who will labour for themselves at will and intensely and honestly and at the same time they will also enjoy the beauties and art of nature which God has given us. Let us not make the inhabitants of India mere workers like animals who have eyes, but cannot see for themselves; who have ears, but cannot listen for themselves and who have mouths but cannot speak for themselves.

Shri Khardekar (Kolhapur *cum* Satara): The general remark that I intend to make about this Five Year Plan is that it is as unbalanced as the speech of the Minister concerned. We are a very great nation, a nation of ages and sages, a nation which proudly claims to have superior spiritual values and I was looking forward with very great expectations to this Plan. I thought there would be in it something to enthuse us. Now, there is a lot here that may give us, probably, possibility of food. It has certainly a materialistic basis.

11 A.M.

Man does not live by bread alone and I thought in this Plan we would have something for the mind as well and the head. But both these things seem to be missing. As far as education is concerned, in the annual Budget we have only about one per cent. of the total income. We saw the other day how the Minister for Education was complaining, and naturally so. I thought that at least in the Five Year Plan education would get a proper share, but, unfortunately that is not so. What I feel like saying is that this Plan lacks values; it has no sense of proportion and it has not been able to fix up priorities in due order.

I went very carefully through the whole thick volume and I missed to see any specific provision made for art. Only there is a scrappy short paragraph on page 222. I was looking for some provision for art, that every district will have a small art centre where arts like painting, music, sculpture, etc., would be taught and where literature would be encouraged. But I was very disappointed to find there was nothing of the sort. Some might say that this Plan is mainly concerned with economics and there

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is a good deal of the science of economics here. I know that science is very necessary. Art without science is poverty; but science without art is barbarism.

The other day a senior hon. Member from the other side of the House said that this side indulges too much in poetry and literature. Well, I am tempted to quote Anatole France. There are two distinguishing features in which man differs from animals and those two features are literature and lying. We have literature on this side; I do not know whether the other quality is on the other side. In the Ministry of Education's report at page 15 there is an important sentence:

> "The various State Governments are going ahead with the programme of opening more primary and secondary schools, particularly in the rural areas."

Now, if I may give facts and figures and quote chapter and verse, I can say that this word "more" here means "less". From my particular district I am prepared to prove this. I thought there would be provision for theatres—national theatres. But I am shocked to find that the only theatre in Maharashtra which was at Kolhapur for plays and dramas is being sold out by Government—there is so much of poverty, financial as well as artistic.

Then I was looking forward most anxiously to find a net-work of libraries in the whole country. Education is given so little, that it is impossible to have anything of the sort. We are spending a lot on primary education. But 90 per cent. of it would be a waste unless you are able to provide certain meagre libraries in the villages and have some refresher courses. But there is nothing of the sort.

Again let me quote Plato. He said a house that has a library in it has a soul. Unfortunately, not only in houses, but even in towns we have got no library and I do not know whether even this imperial city, this capital, has a library worth mentioning. This sovereign body, this Parliament has a library, but if one were to talk about its soul, it is a very emaciated soul. If you want ten books, you should consider yourself lucky if you get one out of ten.

As for museums, there are so few, and I do not know whether Delhi can boast of a museum unless of course we ourselves constitute something of a museum.

Then, let me come to an important point. As advised by you, Sir, I am going to be very serious and I want hon. Members to listen to me carefully. Education is so neglected.........

Mr. Deputy-Speaker: Hon. Members may avoid any reference of this kind to the Parliament.

Shri Khardekar: I am sorry, Sir. Education is very much neglected. The report here speaks of democratic planning. Democracy is an adventure and if education, which is the basis and the foundation of democracy is not given the necessary and proper share of importance, I think our democracy is going to be without its foundations. We have democracy only in name. It is not in substance. And if we have a dictatorship, it is weak and vacillating. So, neither here nor there is unfortunately our position. As regards education there are two important things, namely the spread of education and the quality of education. And I was glad to find Prof. Agarwal referring to the second point. There is literacy varying from fifteen to twenty per cent. in our country. But as regards literacy itself, a man merely being able to put his signature to a document is not worth anything. And I may here refer to the sad and heart-breaking spectacle we witnessed on the first few days when certain Members could not even read the oath or affirmation and one gentleman was not able even to sign the Register. I mean, we who are educated ought to feel ashamed of this. If we had gone the right way and done our duty to the nation I do not think this would have been there. Where 85 per cent. of the people or so are in the habit of putting their thumb impressions to documents, rule of the thumb is inevitable. And democracy without education, as Will Durante said, is hypocrisy without limitation. Lincoln's definition of democracy—that is, Government of the people, by the people, for the people—was heard by one Frenchman who said: "Yes. Government of the cattle, by the cattle, for the cattle". Now, it is not Government by the cattle, because those who rule are educated. But unless those who are ruled are properly educated we cannot have democracy at all. And my solution here to the Leader of the House and all Members is that they should go out and inspire young men. Because, even if you give a thousand crores of rupees for education, in the next five or ten years all of us will not be educated. But if every one of those who are educated were to educate thirty or forty it will be possible to solve the question. I am talking from experience. If all the Members of the House were to do half the work I have done in this respect there would be no uneducated person in the whole of India. During six years I have been responsible in starting as many as nine High Schools, one Night School, a College and more than a hundred Primary Schools. If even a part of it were done by hon. Members I think the problem would be solved.

Then I come to the most important question. Right from the President down to the most ordinary person in the street every one, since we have attained *Swaraj*, has been criticizing our system of education. Now, education is a means to an end. The former rulers gave us education in a certain manner for a certain purpose, namely to turn us into clerks and subordinate officers and so on. Now we want education for democracy in order that democracy should have a proper meaning and context. And in the five or ten minutes—whatever time I may be allowed—I would begin with the very intelligent and proper remark passed by Dr. Jaisoorya the other day. He said the tragedy of the Indian mind is that it cannot think independently. And here I may quote Aldous Huxley who said: 'the best teacher is he who teaches the least', and in my opinion Socrates was the best teacher. He was like a midwife: he brought out the best in man. We, teachers should not think that the minds and heads of students are empty boxes to be filled in with knowledge and information. The rule has been: Cram it in, cram it in; what are boys made for, what are the teachers paid for? But we have to change it. Those who do not think independently are really slaves. Thinking for oneself and boldly is most important.

Here I would like to give one experience of mine. When I went to Cambridge after finishing my LL.B. and other examinations here, I was called by my Principal on the first day and he asked me a very pertinent question: 'Mr. so-and-so, how many lectures are you going to do per week?' Wanting to appear good, I said: "three to four per day" which would come to fifteen or eighteen per week. He was very serious. He was rather astonished and he asked: "Young man, don't you want to do any reading or thinking for yourself?" The good students do not attend more than three or four in a week, and men like Bertrand Russell never attended any. But we have been in the habit of attending lectures. Even you, Sir, were very angry with many of us who were in the lobby. Attendance is so very important in this country. It may be in a college or in a school. We are so much under the iron hand of discipline.

I was talking about the basis of democracy and the sort of education we must have. Here I will mention another experience of mine. At the time of my leaving Cambridge my Principal called me once again. I thought probably because I had carried out his advice with a vengeance he was going to pull me up. But he was very glad to receive me he offered me some tea and said: "King thinks highly of you." I was puzzled. I did not know who this king was. The only king I knew was our Emperor. Then he asked: "Don't you know King? King is our groundsman"—that is the man who looks after the tennis court and prepares the cricket pitch. King was an institution in Cambridge, not because of his education but because he was a man who had independent and honest opinions to offer about every undergraduate that went there, and the Principal consulted his views with regard to the conduct of the undergraduate. Here is the basis of democracy. The essence of democracy lies in raising the standard and in making even the most ordinary person feel that he is as important as anybody else.

By way of contrast let me come to my experience in Delhi. I was a Member of the Constituent Assembly for two or three months. There I was really disappointed to find that in respect of every question that came up the first and the last argument would be: "Gandhiji has said such and such a thing." I am second to none in my respect and reverence for Gandhiji. But infallibility is only in the nature of the gods; it is human to err. Gandhiji's idea of truth was that the individual should try and find out truth by trial and error. And Gandhiji, the great man that he was, several times admitted that he had committed blunders, even 'Himalayan' blunders. As Aristotle said: "Plato is dear to me, but truth is dearer", unless we have that attitude and think for ourselves there is no salvation for this country.

I can give a number of other examples. After I made two or three speeches, probably one or two shocking speeches, one very great leader who took some interest in me said: "Please come and see me some time". I went to him. There he was being surrounded by a number of people.

[Shri Khardekar]

It was natural. A great man is naturally busy. But a person in the waiting room asked me: "Why have you come?" I imagined that probably he thought I was not welcome. But that was not the case. He asked: 'Why have you come?'. I said, so and so has been kind enough to invite me. He said: 'No, he is very busy; just go in and take *darshan*'. I felt as if I had been hit by a bullet. Immediately I muttered something in my mother tongue. When your passions are roused and when you want to express something, you express yourself in your mother tongue. How this *darshan* business has come about, it is of vital importance to know. Sages and saints everywhere in the world have received respect and people go and take their *darshan*. When it was the case of Gandhiji, I could understand that because he was a mixture of a saint and a politician. But, when those around a political leader expected that others should go, bow down and take *darshan*, I was shocked. I shall explain how this *darshan* business has come about in a minute. You have to look at the political history of India. Gandhiji came on the scene. Gandhiji was both a.........

Mr. Deputy-Speaker: Does that form part of Planning?

Shri Khardekar: For the sort of education that we must have in free India, it is necessary.........

Mr. Deputy-Speaker: I want to call one more hon. Member to speak. The hon. Member has already taken more time.

Shri Khardekar: May I finish this point, Sir? Gandhiji approached politics through religion. Some may not like the raising of the question of means and ends. Because Gandhiji knew the people of India, he could achieve miraculous results. What other political leaders could not do in a period of 30 or 40 years, Gandhiji could achieve within a short time because he knew the religious minds of the Indian people. Though this religio-political strategy worked wonders within a short time, it has left a very bad legacy for us. We have got to get rid of it. If this is continued, the priest and king combination in a political leader, as we see, people will go and take *darshan* and then will go and vote as desired by certain great leaders. Unless man develops self-respect, and is able to think for himself, unless the common man is able to feel that he can rise to the stature of the highest person in the State, democracy is in peril. Therefore, we should see that man is able to think for himself and that he is not really crushed by circumstances. The education that we give in free India should enable man to have a free and open mind.

I will just quote four lines from Tagore and I hope you will allow me to do that.

Mr. Deputy-Speaker: Order, order. The hon. Member has exceeded his time.

Shri Khardekar: I shall just quote and finish.

Mr. Deputy-Speaker: The hon. Member has been digressing into other things.

Shri Syamnandan Sahaya: Sir, when the hon. Minister for Planning began his long discourse yesterday with a glass full of hazy substance on one side and another probably of *aqua pura* on the other, I thought he will enlighten us on the intricacies of planning. But, to my disappointment, he entered into a long apologia for the administrators of the River Valley projects. When he did so, I was reminded of a very well established legal maxim which lays down that it is not merely enough for a Judge to lay down good law or to impart justice fairly and evenly, but it is also necessary for him to create the impression and the confidence among the people that justice was being imparted fairly and evenly. It is even more true of the Executive than it is of the judiciary. It is not merely enough for a Minister or a Member of the Government to satisfy himself that the administration was being run on correct and efficient lines, and that there were no dents or black spots; but it is even more necessary for him to create the impression in the mind of the public that the administration was really being well run. I would, however, not in any spirit of criticism, but by way of information to the hon. Minister, like to tell him that that impression and confidence is wanting in the public with regard to many of the projects undertken by the Government.

The hon. Minister mentioned about his inability to find he-buffaloes and she-buffaloes on the files. If he had only tried to go beyond the tips of his files, he would have easily noticed a number of red-eyed buffaloes and other types of animals roaming about in the wilds of these different projects, untied by the red tapes of his files, and doing immense injury to the crop of reputation that the Government had, at great cost, and at great labour, raised for themselves through these projects. This, Sir, is so far as the hydro-electric projects or other projects are concerned.

Coming to planning, I would like to say at the very outset that it has given a great deal of satisfaction that the Government are thinking seriously and attaching such great importance to planning. That is as it should be. I would like to assure the hon. Minister that in this effort at planning, he has universal sympathy and that if here we ventured to say a few things or to point out some difficulties, it was with the sole desire of seeing to it that the plans did not founder on any rocks that may hereafter appear on the surface. Trying to discuss this Five Year Plan in a compressed period of 15 minutes is a task which, if well performed, should be classified as the eight wonder of the word. But, I shall make an attempt because nothing is lost by that. By way of a suggestion, I may even now point out to the Government that in their own interest, they should devote longer time in this Parliament in securing the suggestions and views of the Members of this House because that is the only way of finding out public reaction to the plans. They should provide at least a week's time for this debate if not more. However, that is for the Government to decide.

When, however, I read the financial side of the Plan, I was reminded of the story of a milkman who was carrying a pot of curd on his head to the market place.

Shri B. Das: Milkman or milkmaid?

Shri Syamnandan Sahaya: Milkman. When going to the market place, he started planning in his mind. He thought that with the price of the curd, he would buy a few goats and after selling the kids, he would buy a horse. Then, he tried to ride this phantom horse. When he made an attempt to do so, the curd was out on the street, and the pot had disappeared in pieces. I feel that in the matter of the financial provisions, and the resources which the Planning Commission have thought desirable to rely upon, there are big dents and gaps and it is time even now for them to consider how to get over those difficulties. Many a good plan has foundered on the rock of finance.

Shri B. Das: Wait and see the final result.

Shri Syamnandan Sahaya: By that time, neither you nor I will be here.

The first point that I have to submit with regard to planning is that an attempt has been made to compress within a period of five years the entire Plan.

I agree with the previous speaker that this Plan should have really opened an avenue for another Plan, and perhaps yet another. This one should be dovetailed—I think he used that word—with another Plan. The effect of this has been that too much has been compressed in a small period of five years and even when doing so, it has not been visualised how it is going to affect the future plans.

As we know there have been attempts at planning in the past. The old British Government had what they called the Post-war Reconstruction Plan. Then we had the Bombay Plan, a non-official effort. Then the Colombo Plan. Then, of course, the big reports of sub-committees of the National Planning Committee presided over by Pandit Nehru. And now we have got this Five Year Plan. Planning let me say involves sweat and tears, and it is not very easy to accomplish it either, particularly in the conditions in which we are placed at present. It would not therefore be a very easy affair nor would it be right to consolidate at one place many things that may be already in existence, and then to call it a plan, or a planned scheme.

When we scrutinise the figures of the finances available, we find that it has been provided that the Government of India out of the surplus of their revenue account, will be able to provide Rs. 130 Crores in a period of five years, basing this figure on the surplus that they had of about Rs. 26 Crores in the last year's Budget. Sir, I shall give the figures, and I will also state my reactions to them. Now, I know the Government of India is lucky this year and they have been able to get a good deal of money from foreign trade, and they may perhaps be able to find the surplus. But I will certainly ask the hon. Finance Minister and the hon. Minister for Planning whether it would be right to base the completion of a plan on a fluctuating surplus of about 20 or 25 crores of rupees in the central Budget. Apart from the orthodox view held that capital expenditure should not be met from revenue account,—I do not say there is any heresay about it, but I certainly say that no taxpayer would be willing to encourage Government to start incurring capital

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expenditure out of its revenue income. I have not got the time to detail the reasons, but they are obvious. I therefore feel that it was not right of them to do so—of course, it appears to have materialised this year; how far it will be so in the future, it is difficult for us to say.

Then there are other items like reserves normally set apart in the revenue account for different development works. This looks like putting old wine in a new bottle. Provisions were made in the Budget, both Central and Provincial, for a certain amount of development expenditure. What the Planning Commission has done is, they have incorporated it in their Plan and accepted the financial resources available for that as a part of the financial resources of the Plan. In many cases, in fact in most cases, the plans must have been undertaken. Therefore, if the Planning Commission want to change it, they will have to find fresh sources of revenue. If they want to continue the plans that have been taken up, well, it is only enumerating, or consolidating in one place what is already in existence, and I submit that perhaps most of them came into existence without any planning.

Then there is another sum available *viz.*, the resources for railway development. Here again, I submit that the development schemes, perhaps, must have been there in the past. There is nothing particular which the Planning Commission has done about it, but they have taken advantage of the Rs. 30 crores available for this purpose.

Coming to the States, the position appears to be even more difficult. The financial resources to be raised out of the revenues of the States is a sum of Rs. 81 crores in the period of five years. In fact from some statements and figures published by the Reserve Bank we find that both in the years 1950-51 and 1951-52, the totality of the States taken together in Part A and Part B, had a deficit—in 1950-51 of about Rs. six crores, and in 1951-52 of about Rs. twelve crores. In this view of the matter, I think it will be difficult to forecast any surplus on this head.

Then, here again, we find from the States' resources amounts normally set apart in the revenue account for schemes of expansion on social services—and I have nothing more to add about it except what I have stated above. Most of these plans are already in existence, and it looks like putting old wine in a new bottle.

Then, it is also provided that Provinces will be able to raise long-term loans. I think the Finance Minister ought to be in a better position to say whether the Provinces generally are in a position to raise these loans. What was, may I ask the reaction to the loans already floated by the provincial Governments, and if the Government and the Planning Commission are of the opinion that there are not large prospects with regard to these loans, then I submit the provision is not proper. But even allowing for all these provisions, and accepting that many of them or most of them will materialise, we find still there is a deficit of Rs. 372 crores because these figures only account for Rs. 1,121 crores. Out of this, it has been suggested in the report, a part may be made up from the loans—food loans from America as they are called—or from some assistance from Canada and Australia according to previous arrangement. But even then we are left with a deficit of about Rs. 290 crores, and the Commission makes no concrete proposal with regard to this except saying that perhaps something will happen and that this Rs. 290 crores, will also become available. We are not in a position of knowing clearly as to how this Rs. 290 crores is likely to be raised. That is only in regard to the first part of the Plan which is going to cost Rs. 1,493 crores. In the second part it is another Rs. 300 crores for which so far we have not had any details. In fact, if we read the report of the Planning Commission at page 49, we will find that it has been stated that:

> "(a) the Central Government will try to maintain a surplus of Rs. 26 crores per annum in its revenue account, *i.e.*, at the level of the Budget for 1951-52;
>
> (b) additional resources of the order of Rs. 213 crores will become available to the States over the five years through higher income from land estate duties, wider coverage and better administration of sales tax, betterment levies and water rates etc........."

In this connection, I would like to point out to Government that they are probably calculating a little too much. My own view is that the slump has definitely set in whether the Government of India accepts it or not, and therefore any increase in taxes like the Sales Tax is a very doubtful proposition. With regard to the other items like Estate duties, that, Sir, no one knows better than you, is still in an embryonic stage, and we do not know how far and when we shall succeed in it. It is also apprehended that certain States might lose heavily on other items. I shall not detail them here, mostly because I have not the time, but I feel that these resources might not become as fruitful as they have been shown in the report. I will take a minute more. We may now look at the target of achievements for all this expenditure—let us take only one item, agriculture, on which naturally a great deal of stress has been laid, and rightly too. What do we propose to have? At the end of 1956, we will have an increase of 7·2 million tons of foodgrains. It works out to about 13·67 oz. per adult, per day which is the present level of our food position, and let us see whether it will be sufficient to wipe off even our deficit. Let us scrutinize whether it will be possible to do so, and whether even this is a feasible proposition. The increase in food production as envisaged in the Planning Commission's report is that in Bihar it will be about 84 per cent., in Travancore-Cochin 54 per cent. and in P.E.P.S.U. about 46 per cent. I come from Bihar, and I know what is happening to our river valley projects there. I believe the Kosi project is still very much in the womb of futurity, the Gandhak valley project has not even been considered or taken up. We do not know what portion of Bihar will be irrigated by the Damodar Valley project. I do not understand therefore why and how the Government and the Planning Commission have come to the conclusion that the increase in the food crops of Bihar will be to the extent of 84 per cent. (*Interruption*). Regarding tube wells, I do not know what has happened. I would very much like the Government to consider what the position of the tube wells there is, because the Government of Bihar undertook them at the suggestion of the Government of India. I feel very doubtful as to what would happen about this part of the Planning Commission's Report. The question may be asked as to what are we to do, we have got no capital available here and if we do not take anything from the revenues for capital expenditure, is it suggested that one should plan without these? Planning always is a balanced proposition. There is no plan where every part will be remunerative. It is for the planners to see that they so arrange the planning that a portion of the plan which would give a good return is also planned side by side with such portions as do not yield any income. No doubt, on the income side also, there are certain items which may not give immediate returns, but will give only long-term returns. To my great surprise, I find that no mention has been made in this Plan with regard to those items which are likely to give immediate returns, and if we do not reconsider the matter, I think there will be difficulty in the future.

In this connection I would like to draw the attention of the hon. members of the Planning Commission and the Government of India to the position they have allotted to industries. It is industry which can give them comparatively quicker returns and better returns, with which they may fill in the financial gaps in the other portions of the plan.

I would only take a minute more, as I do not want to encroach upon the time of the hon. Minister who has to give a reply to the points that have been raised, but I would only suggest that as this is only a draft plan, it is time that the hon. Minister and the Planning Commission gave a good deal of thought to these matters, and gave another opportunity to this House to discuss the Plan so that the Government may have before them the views of Members of this House and they may know fully what the Members think about the Plan and the report.

Shri Nanda: In approaching this question of making a reply to the debate, I am conscious of several limitations, the first one being that I have listed about 55 points, and I have hardly even half the 55 minutes at my disposal to reply to them. The other limitation is that the draft Plan is in the hands of hon. Members, and the various observations that have been made relate to the draft outline. This report was produced in July last year, and the knowledge of the hon. Members is restricted to the content of this volume, whereas in the course of these few months, the Planning Commission has proceeded with the further consideration of the various policies and programmes connected with the Plan. The Commission had the benefit of the views of a large number of individuals and associations or bodies, and have given a great deal of thought to their reactions and came to certain conclusions which do affect the contents of the Plan, as it would emerge finally. Apart from that, the changed conditions and circumstances also have their own influence, and these have to be taken into account in the final Plan. Planning is a continuous process and even with this final Plan, there will not be an end

[Shri Nanda]

to modifications. During the few months that followed the publication of the draft Five Year Plan, a great deal of thought has been given to various policies and basic questions. I am aware of the fact that substantial changes are going to be introduced. So, I am placed in a peculiar difficulty that since this draft has not been finalised at the moment, I cannot anticipate all those variations that might occur, and therefore I have to deal only with the points as they affect the draft Plan. I shall try to compress my observations in the very few minutes that have been allotted to me.

The hon. Member who spoke first about the quality of the Plan and the methods to be employed said that we have not done enough to assess and evaluate the benefits of the Plan and its impact on various sectors of economy of various sections of the community. This I think is a criticism which if taken absolutely, may be considered fair. But in the conditions in which we are placed, we could not afford to display some kind of statistics based on guess work, and simply try to present something which might have an attractive look about it. Therefore, we have restricted ourselves so far as the statistical side of the Plan is concerned, to whatever reliable data was available to us. I am not content with the data as they are. Various steps are being taken to improve the statistical basis of the Plan and I believe, in the final Plan, hon. Members will notice that an attempt has been made to indicate in statistical terms, the consequences of the Plan more than has been done in the draft.

There was also another criticism about the Plan on the ground that it was not a balanced Plan. If every section of this House, had the same kind of criticism to make, if all the standpoints of all the hon. Members were the same with regard to this lack of balance, then certainly it would be a serious thing. What lack of balance means is that some things are given proportionately more attention than others. It appears that different sections have got very different views on what the Plan is lacking in or on what the Plan is containing in excess. Some hon. Members have said, that we have not given enough attention to industry. Others are of the view that we should have given more attention to food, and there was an hon. Member who thought that we had not given enough for education. So perhaps it comes to this: it is not a question of balance, it is not a question of proportion, it is a question of the size of the Plan. And that is a very pertinent question regarding which we have tried to give answers and in this connection I propose to deal a little with the comments on the financial resources, though I would leave the financial aspect to more competent hands to be dealt with later on.

The question is that the size of the Plan depends upon a certain assessment both of financial resources and also of availability in various other directions and also of the level at which our administrative capacity stands today—capacity to deal with various programmes in an efficient manner. Regarding the quality of planning, one point was raised by an hon. Member regarding industries. His point was, in the first instance, that we had not paid enough attention to industries and on that account we were possibly retarding the development of the country. I may immediately answer that point. We are aware of the fact that the Plan under the public sector has not made a very large provision for industries. But it must be borne in mind that it is what is known as a mixed economy which is now being established in this country. The progress of industry in the country is for the time being left to the private sector and all that the private sector is capable of doing—we have some kind of assessment of that—also must be considered; it does not figure in the size of the Plan, in the amount that is there either for the first part or for the second part. It was also said that regarding the private sector, our Plan was really no Plan, we took the projects of the private sector as they were and just included them in the Plan. The extent to which precise planning is possible for the private sector cannot be of the same order as it is in the case of the public sector where the State has complete control. But I must inform hon. Members that we are not so helpless even regarding the private sector. As a matter of fact, the projects, the various schemes of the private sector, have been discussed at very great length in the Planning Commission with the representatives of industry in each branch and the plans which emerged, the programmes which are being settled, are a result of those discussions. And those discussions aimed at bringing those projects into line with the general objectives of the Plan so that in spite of the handicap that the progress of the private sector cannot be entirely pre-determined in the same manner, still there is a very good amount of planning introduced and in the private sector also.

There was a question that our objectives were not adequate and that they were not being implemented with vigour and in an adequate manner. Our objectives are very clear. We want to raise the standard of living of the people. It is a poverty-ridden country; large numbers of people have not enough of the very elementary things of life—of food, of clothing and of shelter. Therefore, we aim at increased production, specially in those lines. We also aim at extending opportunities for employment as much as possible; and side by side in a country which is a poor country, inequalities can be tolerated less than in a country which has got at least the minimum available even for people who stand at the lowest level. Here, therefore, our object is to narrow disparties progressively. Our fourth objective is that though we may not be able to do everything in the course of the five years, we should at least in the course of these five years create conditions—there was a reference to creating conditions—of dovetailing the Plan into some further Five Year Plan. This is exactly what is being thought out to the extent it is possible in the present circumstances. We may not be able to increase the quantity of consumer goods enough, as much as might be otherwise, but we are aiming at creating those conditions which will enable us to do so in the further five years and thereafter so that the people of this country are assured of an adequate supply of at least those basic needs of existence. Here also criticism and comment proceeded from opposite quarters. On the one side we are told that we are not doing enough in the basic sense to ensure development on an adequate scale; on the other side we are told that we are devoting funds too much to those projects which are not going to yield results quickly. We have to balance everything and I believe to the best of our capacity we are balancing the future and the present and we, therefore, are trying to devote a considerable portion of the resources to such projects, such programmes. as—though they may not fructify immediately—will enable the country to deal with these problems more effectively later on.

Among the objectives that which relates to increase of food in the country is most imperative and in that connection as much as possible is being done. Maybe that immediately this year we will not be able to dispense with foreign imports, but I feel sure that in the course of the period of the Plan it should be possible. In that connection I wish to come to an observation made by the hon. Member to my right who said with regard to Bihar, casting a doubt on the possibility of attainment of these targets "here is what we have put for Bihar, a certain figure which.........

Shri Syamnandan Sahaya: 84 per cent. over the present.

Shri Nanda: ....probably may not be achieved". He based his comment upon his personal knowledge of the conditions there. I may inform the hon. Member that this is a matter which is being taken very seriously in the Planning Commission. These figures are not something which are fabricated here. These figures are the resultant of the estimates in respect of various projects and schemes for which resources are being allocated and the effect of which is being assessed, and then we come to these figures and these targets are being continuously revised and re-examined so that, I may inform the hon. Member, for Bihar the latest revision has compelled us to bring down the target from 8·79 to 6·97.

Shri Syamnandan Sahaya: If you kindly give us Kosi and Gandak Valley, we give you 84.

Shri Nanda: Regarding Kosi and Gandak Valley, the hon. Member has when dealing with the financial resources pointed out to us that it is some kind of a fantastic Plan, which we are not going to achieve. He asked us, where are we going to get all this money? At the same time he is telling me to add Kosi and Gandak. Not that we do not want it,—whatever is possible for Kosi may be done, but he is pressing for certain schemes which will add another 150 or 200 crores to the deficit that he has pointed out.

The question is about food and employment. Just as food is a matter of the greatest urgency for this country, employment is also of the greatest urgency, knowing as I do that large numbers of people in the country, particularly in the rural areas, do not find adequate employment. There are numbers who may not at all be fully employed; but there are many more who are under-employed. This is a matter which has been exercising the minds of many people in this country, and various suggestions have been

[Shri Nanda]

made to increase employment and to make it full employment if possible by various means. The unemployment problem relates to the educated section also—the middle class—but very much more to the rural community. We have given a great deal of thought to this question of unemployment. I agree with the hon. Member who made an observation about this question, that you cannot tackle it effectively unless you deal with it on the basis of the village as a whole. And the question of unemployment as well as the question of increase in production get related to certain basic institutions in the country—say, the question of land organisation, the land system, and also the industrial system. And, may be that certain radical changes have to come about before these problems can be satisfactorily solved. And it was with the full realisation of the need for such changes that certain recommendations were made in the Draft Outline regarding the organisation that a village should have. It was asked: Are we going to have some provision in the Plan with regard to joint village management? Here we were told you have got to take the vote of all the persons who hold the land—two-thirds of them—and also the land which they hold should be the major part of the total land holdings in the village. This is a point which deserves consideration if we are serious about the aim of getting co-operative village management, without which I am absolutely sure—and I agree with the hon. Member in this—the problem of employment and also, to an extent, of production cannot be solved adequately.

I have been told that the redistribution of land in small bits among more people will satisfy land hunger, and also that intensive work could be done on those plots to give more production. Intensive work does count for something. But that is not all. In order that land produces more, other things are needed—resources, equipment, etc.—but in the conditions that prevail today it is not possible to channel them to the individuals and to equip them sufficiently for the purpose of the maximum production. So, even from the point of view of production the ideas that have been embodied in the Plan are basic and are very important.

They are going to be carried further. I agree that if we want to facilitate this co-operative management coming about we will have to make conditions less difficult than they have been provided for in this Draft Plan. These matters are being considered. What is the basis, what are the lines, on which the land system should be improved so that, first, the question of employment may be tackled, and secondly, production may increase and thirdly,—what has been pointed out again and again—the tiller of the soil may have adequate incentive. This is a matter which is now actively under consideration, and I believe hon. Members will find something more, and something possibly more satisfying, in the Final Plan which will emerge.

I do not want to be told that I have to sit down.........

Mr. Deputy-Speaker: How long does the hon. Minister want?

Shri Nanda: If I have to answer all the points, that may take another hour or so. There is so much to be said. The question of community projects—that is a very important question. Then there is the question of public co-operation which has been raised, and I should have liked to say something about it.........

12 Noon

Shri S. S. More: Sir, Mr. Speaker said that we should stick to the plan about the time schedule.

Mr. Deputy-Speaker: Mr. Speaker has already stated that we should stick to the schedule. The hon. Minister may have five minutes more, because he started five minutes late.

Shri Nanda: Yes. That fits into the plan. That is half an hour, which was allowed to me, and I am going to take only that much.

Regarding community projects, it has provoked some kind of reaction, which is a reaction of distrust, and it has also created a great deal of hope and a sense of expectation too. Therefore, we have to see to it that this experiment is carried out in the best manner possible. Various suggestions were made. I cannot deal with all of them. One thing which I feel I must refer to here, is the question of the approach in dealing with the community projects. I accept the view that the approach will have to be in tune with the conditions in the rural areas and the mentality of the people in the villages, and not something which is imposed from above, not something tied to red-tape. Why has the Collector to be the Chairman of the District Committee? Because of that, it is said, the work will suffer; the Collector has got no time. Now, if hon. Members have read the outline, they will find that the work does not hang on him. There is the Development Commissioner—a whole-time person; there is the Project Officer—a whole-time person. And in between, for the purpose of co-ordination, for the purpose of getting more co-operation, facilities, etc., the Collector is brought into the picture. And one thing I would ask hon. Members to bear in mind: we must not think of the officials as a class apart. That has come down to us as a heritage of the past, and we have to get rid of it. We have to bridge the gulf between the officials and the non-officials. The non-officials must become more responsible, and the officials must become more responsive. That is what we are aiming at, and I hope the old attitude will not persist.

Regarding public co-operation, it has been stressed that this is an indispensable element in the success of any Plan; just as financial resources are, just as efficient administration is, so also public co-operation is indispensable. These are among the major prerequisites of successful implementation of a Plan. For the purpose of public co-operation, steps have been taken which Members of the House know. A suggestion was made to me that this organisation which is being formed should receive very careful attention and should be organised on sound lines. I thought of saying something about that, but I do not want to overstep the limits.

I thank the Members of the House for the patient hearing which they have given me.

Mr. Deputy-Speaker: I am not placing the Demand for the vote of the House now. This Demand forms part of the Demand under the Ministry of Finance, though it refers to Planning. I shall dispose of the cut motions and reserve Demand No. 37 for voting by the House along with the other Demands relating to the Ministry of Finance. Now, I will put cut motion No. 1164 to the vote of the House. The question is:

> "That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Finance, be reduced by Rs. 100."

The motion was negatived.

PAPER LAID ON THE TABLE

NOTIFICATION AMENDING INSURANCE RULES

The Minister of Finance (Shri C. D. Deshmukh): I beg to lay on the Table a copy of certain further amendments to the Insurance Rules, 1939, published in Notification No. 102-I.F.(1)/51, dated the 26th September, 1951, under sub-section (3) of section 114 of the Insurance Act, 1938. [*Placed in Library. See* No. P-20/52.]

GENERAL BUDGET—DEMANDS FOR GRANTS

DEMAND No. 25—MINISTRY OF FINANCE

Mr. Deputy-Speaker: Motion is:

> "That a sum not exceeding Rs. 80,77,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Ministry of Finance'."

DEMAND No. 26—CUSTOMS

Mr. Deputy-Speaker: Motion is:

> "That a sum not exceeding Rs. 1,74,11,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Customs'."

DEMAND No. 27—UNION EXCISE DUTIES

Mr. Deputy-Speaker: Motion is:

> "That a sum not exceeding Rs. 4,49,79,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Union Excise Duties'."

DEMAND No. 28—TAXES ON INCOME INCLUDING CORPORATION TAX

Mr. Deputy-Speaker: Motion is:

> "That a sum not exceeding Rs. 2,85,36,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the

31st day of March, 1953, in respect of 'Taxes on Income including Corporation Tax'."

DEMAND NO. 29—OPIUM

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 23,01,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Opium'."

DEMAND NO. 30—STAMPS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 67,14,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Stamps'."

DEMAND NO. 31—PAYMENTS TO OTHER GOVERNMENTS, DEPARTMENTS ETC., ON ACCOUNT OF THE ADMINISTRATION OF AGENCY SUBJECTS AND MANAGEMENT OF TREASURIES

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 8,55,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Payment to other Governments, Departments etc., on account of the Administration of Agency Subjects and Management of Treasuries'."

DEMAND NO. 32—AUDIT

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 5,02,62,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Audit'."

DEMAND NO. 33—CURRENCY

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 1,53,36,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Currency'."

DEMAND NO. 34—MINT

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 65,03,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Mint'."

DEMAND NO. 35—TERRITORIAL AND POLITICAL PENSIONS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 15,33,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Territorial and Political Pensions'."

DEMAND NO. 36—SUPERANNUATION ALLOWANCES AND PENSIONS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 2,07,75,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Superannuation Allowances and Pensions'."

DEMAND NO. 38—GRANTS-IN-AID TO STATES

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 8,85,96,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Grants-in-aid to States'."

DEMAND No. 39—MISCELLANEOUS ADJUSTMENTS BETWEEN THE UNION AND STATE GOVERNMENTS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 85,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Miscellaneous Adjustments between the Union and State Governments'."

DEMAND No. 40—PRE-PARTITION PAYMENTS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 1,05,85,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Pre-Partition Payments'."

DEMAND No. 41—EXTRAORDINARY PAYMENTS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 11,16,35,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Extraordinary Payments'."

DEMAND No. 109—CAPITAL OUTLAY ON THE INDIA SECURITY PRESS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 6,39,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Capital Outlay on the India Security Press'."

DEMAND No. 110—CAPITAL OUTLAY ON CURRENCY

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 27,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Capital Outlay on Currency'."

DEMAND No. 111—CAPITAL OUTLAY ON MINTS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 22,01,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Capital Outlay on Mints'."

DEMAND No. 112—COMMUTED VALUE OF PENSIONS

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 66,43,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Commuted Value of Pensions'."

DEMAND No. 113—PAYMENTS TO RETRENCHED PERSONNEL

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 1,52,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Payments to Retrenched Personnel'."

DEMAND No. 114—OTHER CAPITAL OUTLAY OF THE MINISTRY OF FINANCE

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 10,00,03,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Other Capital Outlay of the Ministry of Finance'."

DEMAND No. 115—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT

Mr. Deputy-Speaker: Motion is:

"That a sum not exceeding Rs. 11,37,38,000 be granted to the President, out of the Consolidated Fund of India to complete the sum necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1953, in respect of 'Loans and Advances by the Central Government'."

Refusal of Supplies

Shri Vallatharas (Pudukkottai): I beg to move:

"That the Demand under the head 'Ministry of Finance' be reduced to Re. 1."

Acquisition of British assets in India against our sterling balances

Shri K. Subrahmanyam (Vizianagaram): I beg to move:

"That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Imposition of Capital Levy

Shri K. Subrahmanyam: I beg to move:

"That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Relief in indirect taxation

Shri K. Subrahmanyam: I beg to move:

"That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Taxation policy

Shri Nanadas (Ongole—Reserved—Sch. Castes): I beg to move:

"That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Policy and economy in the Department

Shri K. K. Basu (Diamond Harbour). I beg to move:

"That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Disinflationary measures taken by Government

Shri S. S. More (Sholapur): I beg to move:

"That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Enforcement of prompt action with reference to audit objections

Shri B. S. Murthy (Eluru): I beg to move:

"That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Smuggling of goods from French and Portuguese territories into India

Shri K. Subrahmanyam: I beg to move:

"That the Demand under the head 'Customs' be reduced by Rs. 100."

Policy

Shri Nanadas: I beg to move:

"That the Demand under the head 'Customs' be reduced by Rs. 100."

Customs policy

Shri K. K. Basu: I beg to move:

"That the Demand under the head 'Customs' be reduced by Rs. 100."

Policy

Shri K. K. Basu: I beg to move.

"That the Demand under the head 'Union Excise Duties' be reduced by Rs. 100."

Grievances of income-tax employees especially the income-tax employees of West Bengal

Shri T. K. Chaudhuri (Berhampore): I beg to move:

"That the Demand under the head 'Taxes on Income including Corporation Tax' be reduced by Rs. 100."

Activities of the Income-tax Investigation Commission

Shri T. K. Chaudhuri: I beg to move:

"That the Demand under the head 'Taxes on Income including Corporation Tax' be reduced by Rs. 100."

Policy with regard to settlement of cases of concealed income

Shri T. K. Chaudhuri: I beg to move:

"That the Demand under the head 'Taxes on Income including Corporation Tax' be reduced by Rs. 100."

Tax evasion

Shri K. Subrahmanyam: I beg to move:

"That the Demand under the head 'Taxes on Income including Corporation Tax' be reduced by Rs. 100."

Working of Income-tax Department and its policy

Shri K. K. Basu: I beg to move:

"That the Demand under the head 'Taxes on Income including Corporation Tax' be reduced by Rs. 100."

Economy

Shri Nanadas: I beg to move:

"That the Demand under the head 'Audit' be reduced by Rs. 100."

Working and policy

Shri K. K. Basu: I beg to move:

"That the Demand under the head 'Audit' be reduced by Rs. 100."

Currency policy and control over inflation

Shri Sivamurthi Swami (Kushtagi): I beg to move:

"That the Demand under the head 'Currency' be reduced by Rs. 100."

Question of cancelling the payment of territorial and political pensions

Shri Nanadas: I beg to move:

"That the Demand under the head 'Territorial and Political Pensions' be reduced by Rs. 100."

Policy

Shri K. K. Basu: I beg to move:

"That the Demand under the head 'Superannuation Allowances and Pensions' be reduced by Rs. 100."

Working of Controller of Finance and the Registrar, Joint Stock Companies

Shri K. K. Basu: I beg to move:

"That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Finance' be reduced by Rs. 100."

Working of the Statistical Institutions

Shri K. K. Basu: I beg to move:

"That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Finance' be reduced by Rs. 100."

Need for setting up of a Planning Committee in each district to advise the Planning Commission on the development of roads, water supply, electricity, education, health, protection against T.B. and Leprosy

Shri Rajagopala Rao (Srikakulam): I beg to move:

"That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Finance' be reduced by Rs. 100."

Need for setting up of a Planning Committee in each district to advise the Planning Commission regarding the improvement in the standard of agricultural and landless labour

Shri Rajagopala Rao: I beg to move.

"That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Finance' be reduced by Rs. 100."

Policy of control over all the Insurance Companies by the Reserve Bank

Shri Rajagopala Rao: I beg to move:

"That the Demand under the head 'Miscellaneous Departments and Expenditure under the Ministry of Finance' be reduced by Rs. 100."

Community development projects

Shri Damodara Menon (Kozhikode): I beg to move:

> "That the Demand under the head 'Extraordinary Payments' be reduced by Rs. 100."

Foreign loans

Shri K. K. Basu: I beg to move:

> "That the Demand under the head 'Extraordinary Payments' be reduced by Rs. 100."

Sterling debts

Shri K. K. Basu: I beg to move:

> "That the Demand under the head 'Extraordinary Payments' be reduced by Rs. 100."

Expenditure on Community Development Projects in pursuance of the Indo-U.S. Technical Co-operation Agreement

Shri H. N. Mukerjee (Calcutta North-East): I beg to move:

> "That the Demand under the head 'Extraordinary Payments' be reduced by Rs. 100."

Financial policy

Shri Tulsidas (Mehsana West): I beg to move:

> "That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Failure to allot suitable amount for the welfare of the Scheduled Castes

Shri P. N. Rajabhoj (Sholapur—Reserved—Sch. Castes): I beg to move:

> "That the Demand under the head 'Ministry of Finance' be reduced by Rs. 100."

Refusal of Supplies

Pandit S. C. Mishra (Monghyr North-East): I beg to move:

> "That the Demand under the head 'Ministry of Finance' be reduced to Re. 1."

Misuse of grants for Grow More Food Schemes

Pandit S. C. Mishra: I beg to move:

> "That the Demand under the head 'Extraordinary Payments' be reduced by Rs. 100."

Refusal of Supplies

Pandit S. C. Mishra: I beg to move:

> "That the Demand under the head 'Other Capital Outlay of the Ministry of Finance' be reduced to Re. 1."

Anomalies existing in the integration of services of employees of the Travancore-Cochin State Income-tax Department

Shri Nesamony (Nagercoil): I beg to move:

> "That the Demand under the head 'Taxes on Income including Corporation Tax' be reduced by Rs. 100."

Necessity for granting larger grants-in-aid to Travancore-Cochin State

Shri Nesamony: I beg to move:

> "That the Demand under the head 'Grants-in-aid to States' be reduced by Rs. 100."

Shri K. K. Basu: There are a large number of cut motions and it is very difficult to find out which relates to a particular subject. In view of the fact that this Ministry is the nerve centre of the Government and the criticism of it will mean the criticism of the entire policy of the administration, I rise to support the cut motions in their entirety. However, within the short compass of time I will not be able to deal with all the points. But I shall touch firstly the taxation structure in our Budget. We will all see if we go through the literature that has been supplied to us that our taxation has a greater proportion of the indirect taxation which means the greater incidence on the common man. Sir, you will appreciate that even in the United Kingdom or the U.S.A. the proportion of the indirect taxation is much less. This method of greater emphasis on the indirect taxation reminds us of the legacy of the past administration of the British Government. We even in the new set-up of things are following the same method of fleecing the common people. Then again I only refer to one very important thing and that is about the tax on tobacco consumers. Certain forms of levies are made for taxation on the tobacco consumer. He is possibly the most meagre and most insignificant of our common men. Again I like to draw the attention of the Government on the income-tax system. There has been criticism and there has been clamour from different sorts of people including the industrialists and the commercial people for the change of income-tax structure. Specially, I think the time has come for us to consider the possibility of extending the minimum limits of the exemptions for the assessees and I think also we will have to consider the desirability of recommending some alterations in the slab of this class of people and those classes of earners whose savings constitute the investing capital. Again I would also like the hon. Finance Minister to consider the possibility of changing the corporation tax—at least introducing the slab system. This has also been clamoured for by the industrialists whom at least our Government professes to serve. Therefore I suggest that the time has come that a Taxation Enquiry Committee be set up to go into the entire structure of our tax system.

Another important aspect that we should consider is industry. We all agree that in the present world unless India progresses industrially there will be no increase in our national wealth and no future for the country. Taking the Budget figures I find that only about rupees ten crores has been allotted as grants or subsidies to industry. We can appreciate, if we bear in mind the great needs of the country in this direction, what an insignificant sum this is. I would even suggest that if out of the Defence budget of Rs. 197 crores we had set apart at least Rs. 20 or 30 crores for the development of essential industries vital to Defence requirements, like steel and heavy chemicals, it would have served the development of national wealth and also served our national security at a time of emergency.

I do not know if it falls strictly within the purview of the subject under discussion but I would like to mention here something about the import policy of the Government. I find in the Commerce Minister a great advocate of the benevolent foreign caiptal, especially British. I do not know whether the hon. Finance Minister shares the same view. However, I think our import policy has to be changed, and changed in the interest of our national industry. I saw a report—I do not know whether it is correct or not—that the Hindustan Motors and the Kirloskar factory producing diesel engines have closed down temporarily because they could not compete favourably with their British and other imported counterparts. In this connection I would like to criticise the Government's policy of helping and giving enough scope for exploitation by foreign capital in the name of "(India) Ltd.". These firms come here with enormous resources and with their immense past experience to exploit the cheap labour in our country. Under our patent laws their foreign patents have the same unrestricted rights to exploit our markets as indigenous ones. Therefore, the time has come to change this attitude, at least to change this policy. Well, I am told that Government says there is lack of capital. But I understand that every year more than Rs. 30 crores are repatriated out of this country as dividend on foreign investment. Why not for the moment stop this and make it compulsory that this money should be utilised for our industry? We know how this foreign capital is utilised. It exploits the market and amasses profits. These foreign firms did not come here in the competitive market but they exploited the country with the machinery of the Government behind them and with special favourable conditions offered to them. Under the Moneylenders Act we do not allow more than double the capital to the moneylender. We should therefore consider how this foreign capital came here and how it exploited us. The time has come when we must deal with it properly. If the Government thinks that they do not want to create international complications by confiscation of the foreign capital, at least for the moment they should stop the repatriation of these Rs. 30 crores or more of our money. I would also suggest that separate legislation should be enacted about these foreign firms If we go through the reports of the Company Law Enquiry Committees and through any books on Indian economics we will see how the British and other foreign managing agency systems have exploited our country In a way it is not strictly legal or just. The time has therefore come for us to put a check on this system. From my own experience of that part of the country where I come from and where European capital plays a dominant part, and especially the British, I can say this managing agency system even today is behaving very shabbily with our nationals. The way they are behaving in making appointments to the senior grades of staff cannot be considered to be in our national interest. They give to raw European assistants much better terms than those given to better qualified Indians. All their requirements like houses, motor cars and even the pay of their servants are paid for out of the company funds and they go into the accounts against the normal expendi-

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ture of the company. I think this is a waste of our resources. This has to be stopped and this money should be utilised for the development of our industry.

I would like to refer to another aspect of our industry, namely international trade. The other day when it was asked why we should not open trade with those countries which are generally known as the Soviet bloc, our Commerce Minister said it was for them to send out advertisers or agents to roam about the districts and towns of India to find out the channels of trade and the possibilities. So many years have passed since we achieved 'independence'. May I know whether we have appointed a Trade Commissioner in the Soviet Union or even in the East European countries? At the Bombay conference the representative of the Soviet Government offered certain terms for opening trade negotiations with India. He said they are willing to take payment in rupees. May I know what action our Finance Minister has taken in this connection? There is no question involved here of aligning ourselves with either the Soviet bloc or the American bloc. We in India want the opportunity to fully develop and industrialise our country. Therefore, the best terms that we could get from anywhere should be utilised for improving the condition of the country.

Then I must deal with the sterling balances which have been accumulated with the blood and hunger of the common people. But these balances have been wasted to buy annuities and in other ways. We have not been able to utilise that money to buy capital goods which would have helped the industrialisation of our country and built the future prosperity of the country. In this connection I would also like to refer to the question of foreign aid. We do not for a moment say that foreign aid is not necessary, but it must be on our own terms. Foreign aid must not come with political strings attached. Whether the other side believes it or not, we have experience of the foreign aid and the foreign agents coming along with it. The Britishers also came as merchants, then they became the rulers. A recent statement appearing in the Press about the attitude of the Americans said that they want to build in Japan steel plants and other industries to exploit the South-East Asian market including India. That means that under their scheme India will remain an agricultural country where the industrial products of the foreign countries will be sold. This is also supported by our subscribing to the Colombo Plan and by our target fixed in the Five Years' Plan, namely the return to 1939 conditions, which in turn means to an agricultural economy.

One more point about the Grants-in-aid to States. In this connection I have to point out that cess is levied on commodities like sugar, tobacco, coal, jute etc., and under the terms of the Constitution and other laws the amount has to be distributed to the States. Hon. Members from Bihar will support me when I say that Government have collected crores of rupees from the sugar industry. I would like to know how much they have spent either for the improvement of the industry or for labour.......

The Minister of Finance (Shri C. D. Deshmukh): Cess on sugar is not collected by the Central Government.

Shri K. K. Basu: I come from a Province which has suffered the most in this respect. Of course, I know the matter is before the Finance Commission and the matter is *sub judice*. But the time has come for the Central Government—I do not speak in a spirit of provincialism or parochialism—to meet the just demands of the oppressed people of Bengal. The people of Bengal, along with their brethren in the Punjab, have sacrificed and suffered most for the freedom which we all enjoy now. But I think Bengal under the new set-up has had a raw deal and the time has come to consider her just demands. I trust the Government will concede her just demand of greater share and make Deshmukh award a sheet of paper

Shri Shobha Ram (Alwar): Sir, I am really thankful to you for giving me an opportunity to speak on this occasion. It is very difficult to speak on a delicate and complex subject like finance. Having regard to the short time at my disposal, I would like to confine myself to certain problems of Rajasthan and bring them to the notice of the hon. Finance Minister on this occasion.

In the first place I would like to refer to the division of the net proceeds of income-tax under article 270 of the Constitution. As part of the federal finance integration agreement, taxes on other than agricultural income are being levied in Rajasthan with effect from the 1st of April, 1950. I may add here that Part B States in this connection should be entitled to a share in the net proceeds of income-tax on the same basis as other Part A States have been allocated, The Indian States Finances Enquiry Committee has also observed in this connection that there should be no departure whatever from the accepted principles—neither as regards the proportion of the net proceeds of the income-tax which should constitute the common divisible pool nor as regards the proportion thereof which might be allocated to the individual States. Article 270 of the Constitution has also not made any distinction between Part A and Part B States in regard to the distribution of the net proceeds of the divisible pool. Hence I appeal that the Rajasthan Government should be assigned a share in the net proceeds on the same basis as has been made applicable to Part A States. Once the percentage allocable to Rajasthan is determined on the considerations applicable to other Part A States, an adjustment may be made for the lower rates in force during the first five years.

The Minister of State for Finance (Shri Tyagi): Does the hon. Member mean to say that income-tax in Rajasthan may remain lower for five years?

Shri Shobha Ram: No; there has been a gradual increase in income-tax.

Shri Tyagi: And the share of revenue must be increased?

Shri Shobha Ram: I have made it clear that in the first five years adjustment may be made for the lower rates. Therefore, the most important question is the basis of the percentage which should be allocated to the Government of Rajasthan. To me it appears that the equitable basis would be that of population. Arguments may be advanced in favour of the other theory that the scale of consumption is not the same in all parts and in theory an adjustment can be asked for the difference in consumption standards. But I may tell the House that it is extremely difficult to make such adjustments for such variations. I hold that abstract considerations should be sacrificed in favour of practical suggestions.

I was rather amazed to see the recommendations of the Expert Committee on the financial provisions of the Constitution. That Committee has recommended that 60 per cent. of the net proceeds of income-tax should be assigned to the States and should be distributed among them as 20 per cent. on the basis of population, 35 per cent. on the basis of collection and five per cent. for mitigating any sort of hardship to any particular State. It is very fortunate that the Drafting Committee did not accept this recommendation of the Expert Committee and left the matter to be decided by the Finance Commission. I hope that the Finance Commission will not let itself be influenced by the recommendations of the Expert Committee, but would judge the matter independently and on merits.

I suggest in this case that at least 60 per cent. of the net proceeds of the income-tax, including the Corporation tax, should be allocated to the common divisible pool and of this 90 per cent. should be distributed to the States on the basis of population and the remaining 10 per cent. on the basis of certain special needs which might be considered important in the case of particular States. The second thing I would like to refer is internal customs. Under article 306 of the Constitution (read with the federal financial integration agreement) it has been clearly laid down that the inter-State transit duties must be abolished by the 1st of April. 1955 so far as Rajasthan is concerned and it should be substituted by sales tax or other sorts of taxes of the State Government revenue. I want to know what steps the Government of Rajasthan have taken in this connection. I would suggest that the Government of India should see that the Rajasthan State customs is abolished before that period, as has been laid down in the agreement. It is no doubt true that the State of Rajasthan is facing a large deficit, and it is also true that the loss resulting from the abolition of the inter-State duties would not be fully compensated by the sales tax. I would therefore appeal to the Government that it would be desirable to make available to the State Government of Rajasthan, either by way of the net proceeds of Income-tax or by grants or by subventions, an amount equal to the difference between the revenue coming out of the inter-State transit duties and the probable revenue coming out of the sales tax. I would humbly submit that to extend the period beyond the 1st of April, 1955, within which the inter-State duties are to be substituted by the sales tax, would not be proper, in the sense that it would mean an ineffective implementation of the policy with the result that the people would lose confidence in the administration.

Now I would like to mention the unscientific application of certain laws,

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particularly with respect to the tobacco duty. I have been receiving complaints from many parts of Rajasthan in regard to this duty. I know that normally the cultivator has to pay Rs. 600 to Rs. 700 per acre, and sometimes the duty goes even to Rs. 1,500 to Rs. 2,000 per acre. The poor grower does not know how much duty he is required to pay. The assessment of produce is made on an arbitrary basis which is not warranted by any law. If there is any rule or section in the Central Excise Manual, it is rule 25 which runs as follows:

> "When the products are to be cleared on payment of duty, the curer shall apply to the nearest officer who shall cause the products to be weighed in his presence and shall deliver to the curer a notice in the proper form setting out the amount of duty due on the product and calling him to pay the sum into the treasury within ten days from that date......"

What I have to say in this connection is that the local officers on the spot have restricted it arbitrarily to four functions, namely, registration of the crop, crop verification, crop cutting experiment, and assessment on the basis of the crop verification and crop cutting experiments. Now, so far as the question of registration of the crop is concerned, I can very well understand it, because certainly the rule gives power for it. But so far as the other functions are concerned they have not been warranted by any law.

I would also like to say one thing in this connection, that it is not a fact that the cultivator does not want to pay the tobacco duty. The taxes due to the Government should be paid without any hesitation on the part of the persons who have to pay or any relaxation on the part of the officers who have to collect them. But I want to make it clear that it is only the quantity of the produce which is shown in his demand note which has become a problem to the cultivator. He has not been able to reconcile himself in regard to the actual produce which is shown in his demand note. Therefore I hope that the Government of India will try to see that the matter is made more simple and the assessment is based on certain definite laws which must be clearly laid-down and publicized for the information of the cultivators.

I wish to make one more suggestion in regard to the tobacco duty. I know that 15 to 20 seers of tobacco has been exempted from the duty for the personal consumption of the cultivator. I suggest that this limit should be raised to one maund, because having regard to the actual consumption of the cultivator even one maund of tobacco as it is produced in certain parts of Rajasthan is not sufficient.

Lastly, there is one question which is very important. Large amounts of arrears are outstanding against the cultivators of some parts of Rajasthan. We wish that the arrears should be realized at an early date. We know that Rajasthan is socially and economically a backward State, where the fertility of the soil is comparatively poor, with the result that the cultivator remains half-fed and half-clothed. That is also the reason why the revenue from the tobacco duty from the State of Rajasthan is hardly half a per cent. of the total revenues of the Union. The manner of assessment of the produce, to which I have just now referred, has also resulted in the huge arrears. The problem of these huge arrears outstanding against the cultivators has become very important and delicate there. Moreover the forty per cent. fall in the prices of foodgrains has aggravated the problem to such an extent that it has become practically impossible for the cultivators to pay the arrears. I would therefore like to request the hon. Shri Tyagiji to depute some special officer to look into the matter. I want that the special officer should, after visiting the areas concerned, determine the extent of the remission that might be granted to the cultivators. And it is only after such remission that the Government of India will be able to realize the arrears.

In conclusion, I would request the Finance Minister to look into the three important problems which I have just submitted before the House and to take a sympathetic view in this regard.

Dr. Lanka Sundaram (Visakhapatnam): During the short time that I have had the opportunity of acquainting myself with the work of the Finance Ministry, and the Finance Minister and his able colleague, my hon. friend Mr. Tyagi, I have come to appreciate one point, namely, the immaculate character of the statistical exposition of the Finance Minister, as far as the husbanding of the resources and expenditure of this country is concerned. But, I must say, with a sense of responsibility, that, judging him by the performance he has given us with his present Budget, the

Finance Minister has indulged in, if you will permit me to say so, in something like "body-line bowling." In other words, the Finance Minister has been merciless in his assault on the margins of the community in general. Pursuing this simile a little further, I may here tell him, again with a sense of responsibility, that it will not be very long before he will meet his Waterloo: either it may be "an LBW" or "clean bowled". I will come to that a little later, as to why I say this. But. before I do so, I would like to make one general observation and it is this. Judging the performance of the Finance Minister this year, it is clear to me that we are very swiftly and progressively reaching a position where our country would become beggar country No. 1 in the whole world.

I have said that the Finance Minister has indulged in something like body-line bowling. Why have I said so? I have worked out some figures relating to the Budgets of the past four years. In the Budgets presented in the years 1949 and 1950, there was tax relief from direct taxation of the order of Rs. 21 crores. In the same two years, additional tax relief was given to the extent of Rs. 14·8 crores, making a total of Rs. 35 crores. Why was this done? To my mind, this tax relief was given in order to enable this country to slide on from a war-time economy to a peace-time economy, in order to give incentives to all sections of the community, both the industrialists and the generality of the masses, to recoil, to react favourably, so that our finances and our system of economy may be placed on a sound basis. Now, see the contrast. What has happened this year? This year, Rs. 90 crores of revenue surplus have been appropriated for certain purposes. As a student of economics I have nothing to cavil about what you call the utilisation of revenue surpluses for certain purposes. I have nothing to say against that; but I have certainly something to say definitely against the body-line bowling methods of the Finance Minister, when you compare the relief of Rs. 35 crores suddenly being converted into excess revenue collection, if you will permit me to say so, of over Rs. 90 crores towards certain purposes.

I know that the Finance Minister has taken recourse to this expedient in order to enable his colleague, my hon. friend Mr. Gulzarilal Nanda, to move on with the planning schemes. I have no quarrel with that. Since this is not a Demand for Grants of the Planning Ministry, which we have disposed of earlier, I would permit myself only one remark, and it is this. The entire planning scheme is conditioned, to my mind, on the availability of foreign aid. What is happening? Recently, we have reason to believe, and I believe authoritatively,—I do not think I could be contradicted by my hon. friend opposite—that the expected aid from the U.S.A. may not materialise, with the result that this planning in hurry, or rather the immaculate statistical exposition of the fortunes of this country, may not serve the purpose. The result is, that the incentives which were given three years ago are not only not given this year, but we are making inroads upon the marrow and the substance of the community.

It has been said that this year's Budget is an austerity Budget. Austerity is all right in respect of certain fortunate countries. The U.S.A., for example, can afford austerity. How can the poor *Daridra Narayan* in this country afford austerity? To my mind, if I am not doing my hon. friend the Finance Minister any injustice, it is something like this: the balancing of the present distress against future blessings. As a general proposition, I have no quarrel with that. If we look into the manner in which the taxation system is impinging upon the various strata of society in this country, it will be clear that we are now trying to impoverish not only the middle classes, but also making tremendous inroads upon the economic margins of the rural folk. The Finance Minister said, and I quote him, that he is not for any reckless pumping of purchasing power into the hands of the community. Where does that arise? I remember, two years ago, when Mr. C. Rajagopalachari, as the last Governor-General of India, made the statement namely that prosperity has shifted to the rural parts of this country. I still want evidence of that. I would request the Finance Minister, in terms of what he has said about the disastrous consequences ensuing from any attempt at reckless pumping of purchasing power into the hands of the community, to give us data on that point.

From the Demands for Grants which are put down for the vote of the House, I would like to select Demands numbers 38 and 115. These two represent a total of Rs. 20 crores and more, intended to be given to the State Governments as grants-in-aid, advances and loans. It is a well known axiom, at any rate as far as this country is concerned, and I believe it has been the practice for the past 30

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years when the Meston award was given, that grants-in aid are given by the Centre to the States. I do not quarrel with that. I believe there will be cases where the State Governments will be unequal to the task entrusted to them, with the result that they direct their attention to securing assistance from the Centre. What occurs to me,—and this is a point which has not been properly emphasised in this House—is this. Is there any provision anywhere in this Constitution of ours, as also in the administrative practices of the Ministry of which my hon. friend Mr. Deshmukh is the head, to ensure that the monies given are properly given, that the monies given to the States are properly expended. Without going into details I would like to direct the attention of this House to one proposition. Is there any guarantee that the State Governments are not indulging in hair-brained schemes of a character which will destroy our financial stability all round? I want to refer to prohibition. To my mind, something like Rs. 100 crores are involved in a year. As a Gandhite, I have no quarrel with prohibition. But are we having prohibition properly enforced? I am prepared to say with all the sense of responsibility that I can command, after three years of work in the villages, that prohibition has become a total and cruel hoax. Why are these grants being given every year from the Centre? Only to feed certain State Governments, each one experimenting in a way different to the other, without any uniformity of approach to the problem of prohibition. By all means, let there be total prohibition and I shall be a party to it. But, are we having this? No. We are encouraging now the rack-renting of the substance of the community by certain State Governments, which have not cared to learn from the experience of the last four years. In particular, I speak with a sense of authority about the Government of the State from which I come, Madras.

Again take the sales tax. I am one of those who have agitated, and I take this opportunity to advocate again that the sales tax must be put on a basis analogous to Income-tax. The Centre must take it over. I am glad, and I take this opportunity to congratulate the Finance Minister for the Bill that he has brought forward, and I am sure that this beginning will be taken advantage of to ensure that this question of sales tax is properly disposed of in this country. Some of us remember very vividly the cases fought by some State Governments against the Centre in the old days about the quantum of responsibility of the Centre *versus* the States as regards the allocation of sales tax. I hope that, as a result of this Bill which the Finance Minister has brought forward, an equitable system of taxation would emerge.

One other expression of opinion which I would like to make with all seriousness is that during the past five or six years, there has been a great amount of devolution of authority from the Centre to the provinces in terms of taxation matters. I believe in a strong Centre. Without a strong Centre, this country is bound to perish. The behaviour of the State Governments in the financial sphere during the past few years has convinced me that unless the Centre re-assumes the powers and functions which it was accustomed to have in the old days, there will be no possibility of ensuring that the economy of the country would not be jeopardised.

Shri B. Das (Jajpur-Keonjhar): How to do it?

Dr. Lanka Sundaram: Let us go backwards; go back to the Meston Award. I am very happy that my hon. friend Mr. B. Das has interrupted. I would say, go back to the Meston Award and make that the basic approach to the problems of the country.

I would like, in the few seconds I have got left now, to invite the attention of this House to one or two other questions. I have fortunately been for the past 15 years in touch with the operations of the various Ministries—as a newspaper man, with some sort of contact with as many Ministries as possible. Recently, I am afraid, my contact has become rather limited, because I have given up that profession and of going about as I used to do before. But still I do not think the hon. Finance Minister would object to what I am going to say. It is this, that day by day the old inescapable control of the Finance Ministry over the activities, especially the spending activities of the various Ministries of the Government of India, is slackening. In fact I would go to the extent of saying that each Ministry today is functioning as something like an *imperium in imperio* and on this I have his own statement, the statement of the Finance Minister who last year said that his economy proposals have proved to be a will-o'-the-wisp—they amounted to only rupees five crores out of a total budget of Rs. 400 crores. I do hope within a very short time the Finance Ministry would set things right. I am here to fully acknowledge the splendid work done by the Estimates Committee, the Public Accounts Committee, the Auditor-General of India and such other aids which the hon. the Finance Minister has at his elbow, but I have got here a report to show the utter ineffectualness of the existing type of control, the financial control which the Ministry is exercising. Here are the Appropriation Accounts of the Posts and Telegraphs Department, 1949 and its Audit Report, 1951—the latest so far available. I am quoting paragraph 24 onwards to 30. I am not here to indulge in what are called scandals or the existence of alleged scandals, but I am here to make a proposition arising out of the facts published here in this book. Insulated armoured underground telephone cables from Japan were imported at a total cost of Rs. 82 lakhs. The profit allowed on this transaction which was entrusted to the care of an Indian firm was rupees seven and a half lakhs *i.e.*, nearly ten per cent. whereas the Audit Report says the customary commercial practice is one to five per cent., nothing more. I am not going into charges like joy-rides for officers to Japan and that kind of thing. The point I am trying to direct the attention of the hon. Finance Minister to is this: What is the use of these inquests? How long are we going to have inquests on individual transactions, and every time get only an assurance that in the future it will be better. Instead, I want something like a pre-audit.

Arising out of this question—I am sure the hon. Finance Minister would have no quarrel with me on this point—these imported cables, 40 per cent. of them have become useless already. They are competing with indigenous industry. The same question is there in the Colombo Plan. A large number of trucks and vehicles are being imported as aid. They are going to compete with the operations of the assembly lines of the automobile industry in the country. I am only giving these two illustrations to rivet the attention of the Hon. Minister on the point that unless we do something to ensure that each Ministry does not function in a water-tight compartment, unless there is co-ordination, it will imperil our economy as a whole.

Finally, two more observations. I strongly and sincerely plead for something like a Retrenchment Committee. We are today shouldering the burden of an administration, a bureaucracy, which is vaster than what we had in the past. I want lesser staff, but more efficient staff, better paid.

Secondly, I want an enquiry into the incidence of taxation in this country. My hon. friend is not going to dispute my statement when I say that the yields of revenue on the four or five major heads of revenue are being altered. Customs has taken second place. The time has come for us to direct our attention to some sort of survey of the incidence of our tax system.

The House then adjourned till a Quarter Past Eight of the Clock on Thursday, the 3rd July, 1952.